

16 17 18 19 20
Market Street
Lemont Double Fly
26 27 28 29 30
Filter Saloon Fly
31 32 33 34 35
Flewwood Saloon Fly
36 37 38 39 40
Fader Bound Fly
41 42 43 44 45
Miss Party Fly

ALWAYS

Warren Nelson

BET

and Casino Gaming,

ON THE

1930s–1980s

BUTCHER

ALWAYS BET ON THE BUTCHER: WARREN NELSON AND CASINO GAMING

Interviewee: Warren Nelson

Interviewed: 1992, 1994

Published: 1994

Interviewer: Ken Adams

UNOHP Catalog #164

Description

At the beginning of the Great Depression of the 1930s, eighteen-year-old Warren Nelson lost his job with the Park Hotel in Great Falls, Montana. Work of any sort was scarce, but Nelson did not long remain unemployed—he used a family connection to join a quasi-legal gambling business operating in the back rooms of a local cigar store.

As Warren Nelson set about learning the craft of gambling, the state of Nevada was creating a legal and political environment in which he and many of his colleagues would flourish. In March 1931, with passage of AB 98, Nevada became the only state in the nation that sanctioned the operation of gambling casinos. This presented a great opportunity to professional gamblers working elsewhere, largely outside the law. A number of pioneers in the business—people such as Bill Harrah, Pappy Smith, and Benny Binion—were attracted to Nevada by the prospect of being able to operate without having to bribe officials and without being subject to closure every time the political climate changed. Throughout the decades of the thirties and forties, they and others like them drifted in to Reno and Las Vegas, forming the nucleus of an industry that would eventually dominate the state's economy.

In Montana Warren Nelson learned how to set up and operate a Chinese lottery game called keno, and in 1936 a fellow Montana gambler who had relocated to Reno asked him to come and put a keno game in John Petricciani's Palace Club. Keno certainly wasn't new to Nevada in 1936, but, as he was to do many times in many different areas over the next fifty years, Nelson refined the concept, and introduced a game that was more exciting and more successful than any that had previously been seen locally. By doing so he effectively launched what would become a remarkable career.

The evolution from "joints," owned and operated by gamblers, to today's "gaming entertainment centers" run by trained professional managers was lengthy—but by the 1960s the casino owner no longer kept his bankroll in his back pocket; he no longer dealt or supervised the games, or counted the money, or painted the walls; and he no longer personally hired all employees, greeted high rollers, and chased down thieves who had been caught in the act. Stricter regulation by the state, the need for ever-larger amounts of capital, and the sheer size of the operations were forces for change. Reflecting its movement toward the respectable mainstream of American business, casino gamblers began calling their business "the gaming industry."

Warren Nelson is undeniably an operator who was influential in the evolution of casino gaming. While he was rarely the primary source, he was often an early and important participant in innovations and changes that brought great success to the industry. Nelson was always on the lookout for better ways to operate, to attract customers, and to satisfy them—quick to recognize a good idea, he was never reluctant to try one, modify it, refine and improve it.

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Description (continued)

Through most of his career Nelson has believed in a simple principle: Give the players the best bet (lowest odds for the house) that you can while still making a profit, and they will play longer, leave satisfied, and come back bringing their friends—it makes better business sense for a casino to average small wins on millions of bets than to average large wins on only a few hundred. That philosophy fueled the dramatic growth of the Club Cal-Neva. It is also at the heart of the phenomenal success of casino gaming in the state. The story of Warren Nelson's personal journey, from his start as a "gambler" to his current position as a respected casino operator, can be read as a metaphor for the rise of Nevada's gaming industry.

ALWAYS BET
ON THE BUTCHER



Warren Nelson, 1930s
"I was really a player, and I'd gamble on just about anything."

ALWAYS BET ON THE BUTCHER

Warren Nelson and Casino Gaming, 1930s-1980s

University of Nevada
Oral History Program

From oral history interviews with Warren Nelson,
conducted by Ken Adams, a narrative composed by R. T. King,
assisted by Gail K. Nelson

Publication of *Always Bet on the Butcher* was made possible in part by a generous gift from William C. and Barbara C. Thornton. Contributions from Raymond C. Avansino, William S. Boyd, Lud Corrao, Pauline Farris, International Game Technology Foundation, Si Redd, and William Shay helped defray the expense of printing.

University of Nevada Oral History Program
Reno, Nevada 89557

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Printed in the United States of America

Library of Congress Cataloging-in-Publication Data:

Nelson, Warren, 1913-
Always bet on the butcher : Warren Nelson and casino gaming, 1930s-1980s : from oral history interviews with Warren Nelson / conducted by Ken Adams ; a narrative composed by R. T. King, assisted by Gail K. Nelson
p. cm.
Includes index.
ISBN 1-56475-368-9
1. Nelson, Warren, 1913- . 2. Gamblers--Nevada--Biography.
3. Gambling--Nevada--History--20th century. 4. Casinos--Nevada--History--20th century. I. Adams, Ken, 1942- . II. King, R. T. (Robert Thomas), 1944- . III. Nelson, Gail K., 1951- . IV. University of Nevada, Reno. Oral History Program. V. Title.
HV6721.N45N43 1994
795'.092--dc20
[B]
94-21183
CIP

Publication Staff:

Production Manager Helen M. Blue
Senior Production Assistant Linda J. Sommer
Production Assistants Verne W. Foster, Amy R. Thomson

No one can beat the house consistently at any game unless he's cheating. There's an old saying: "The lamb might kill the butcher, but always bet on the butcher."



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Preface

WORK IN THE FIELD of oral history is marked by variety: individual projects rarely resemble one another in anything but form. This keeps things interesting. Although a procedural path has been blazed, it merely points the way — while each project plumbs human memory to gain a better understanding of the past, there is no standard chronicler profile, no rigid approach to interviewing, no boring routine. Our production of *Always Bet on the Butcher* strayed uncommonly far from the path, and it was an uncommonly rewarding experience for all who were involved.

In 1977 the University of Nevada Oral History Program (UNOHP) recorded Warren Nelson's oral history a first time. (Back then, none of the program's oral histories were taken beyond the edited transcript stage, and that is the only form in which the first version exists.) It is not our custom to repeat such exercises, but when in 1992 a colleague suggested that we interview Nelson again, the idea seemed a good one. Fifteen years had passed, and Mr. Nelson was still very active in the gaming industry. Not only was there much to be learned about recent developments, but also we would have the opportunity to go over old ground more carefully and in greater depth. I felt that with Ken Adams as our interviewer, the results were sure to be worth the effort.

To the interviewing, Mr. Adams brought experience in oral history combined with expertise in casino gaming management. He was the interviewer for the Mead Dixon oral history, from which came our 1992 book, *Playing The Cards That Are Dealt*. Adams has been in the gaming business since 1969, and he currently heads a consulting firm and publishes the *Nevada Gaming Almanac*. We

were confident that he would ask the right questions and manage the interviews effectively.

Between June and October, 1992, Adams and Nelson tape-recorded thirty-one hours of interviews, from which UNOHP staff eventually produced a verbatim transcript over twelve hundred pages long. Following my review of this material, an additional six hours of interviews were recorded in February, 1994, and the transcript grew to fourteen hundred pages. It was not easy to read and understand. Oral discourse can be practically impenetrable when represented in print: empty of gesture, inflection, tone, and other nuances that go unrecorded on tape (or for which there are no symbols on the keyboard), transcripts are full of fractured syntax, false starts, repetition, and general disorder. Scholars willing to accept the challenge of reading oral history transcripts often find them to be filled with information, but the form will never reach a wide audience.

From the transcript, I planned to compose a readable narrative in Warren Nelson's voice. But first, as is our practice, we sent the transcript to Mr. Nelson and asked him to review and correct it. Months went by without it being returned. We learned that Mr. Nelson's daughter, Gail K. Nelson, had the transcript and wished to take an active role in preparing it for publication as a narrative. To permit this would be a radical (and, I believed, unwise) departure from our tested and proven system, and I asked that the corrected transcript be returned to the UNOHP immediately. Ms. Nelson and her father then brought to bear their considerable powers of persuasion. Eventually, reluctantly, I yielded. I am glad that I did.

Gail Nelson was of great assistance to me. Without altering content, she edited the huge transcript down to manageable proportions. She also subsumed the interviewer's questions into the text, brought related passages (many of them widely scattered) together into discrete groupings, summarized some material, and isolated a considerable number of fragments that she could not assemble into any orderly arrangement. The quality of her work was excellent. Ms. Nelson saved me a great deal of time, and made a major contribution to the project. I am personally indebted to her. Although she told me many times that she wanted no recognition, it is proper that her name appears on the title page.

From Gail Nelson's work, I composed the first-person account in Warren Nelson's voice that is published as *Always Bet on the Butcher*.

Although my goal was a readable narrative, I tried not to force the material I was working with to take that form artificially, and the book's organization reflects this. Throughout, oral history's natural episodic structure is visible in the occasional lack of smooth transition from subject to subject. Such leaps are indicated in the text by a break between paragraphs, and sections that are stand-alone stories are given their own subtitles. The reader will also encounter at least two departures from conventional composition: when Mr. Nelson laughs in amusement or to express irony, I represent this with [laughter]; and ellipses are used not to indicate that material has been deleted, but that a statement has been interrupted or is incomplete . . . or there is a pause for dramatic effect.

Within the framework of Warren Nelson's life and career, the subject explored in *Always Bet on the Butcher* is the development of casino gambling in Nevada over a half-century period beginning in the 1930s; but the book is also rich in gaming industry folklore and traditions. Nelson has stories to illustrate every point he makes, and working with him (and with the text of his oral history) was a pleasure. Although he has risen to become one of the giants of the casino gaming industry, he remains true to his past, true to his origins — he is just one of the guys, and he would be a good companion on a fishing trip or a night on the town.

Mr. Nelson has read my finished manuscript in page-proof form, and affirms that it accurately interprets the content of the interviews from which it was drawn. Still, I hope that there will be some readers who are interested in examining the unaltered record: copies of the tape recordings of the interviews are in the archives of the Oral History Program of the University of Nevada, Reno, where they can be heard by appointment. As with all such efforts, while we can vouch that *Always Bet on the Butcher* is an authentic expression of Warren Nelson's remembered past, the UNOHP does not claim that the work is free of error. It should be approached with the same caution that the prudent reader exercises when consulting government records, newspaper accounts, diaries, and other sources of historical information.

The UNOHP is deeply indebted to William and Barbara Thornton for their unwavering support of oral history as a method for investigating the past, and their continued generosity to the Oral History Program. This book would not have been possible without their help.

Special recognition is also due Joyce Ousley, the Club Cal-Neva's executive secretary. Ms. Ousley was involved in practically every phase of the project. With cheerful efficiency she capably handled countless requests for information, referred us to others who could be of assistance, and in general helped expedite the interviewing and the production of this book.

In preliminary research, reviewing and correcting the transcript, finding appropriate photographs, and designing the book and its dust jacket, we were aided by many people. At the University of Nevada Press, Tom Radko, Nick "Maxwell" Cady, Sandy Crooms, and Cam Sutherland gave valuable advice; and Heather Goulding's recommendations, assistance, and judgment strongly influenced the design of our book. Lucy Walker and Rick Cippen of the University of Nevada's Department of Creative Services also were very helpful. Renowned Reno photographer Don Dondero provided several excellent photos from his portfolio; and Gail K. and Sarah Nelson, Silvio Petricciani, the Nevada Historical Society's Nita Phillips, the Promus Corporation's Melissa O'Brien, Jef Bauer of Harrah's Club, Harry Upson of Upson Photography, and the Cascade County Historical Society (Montana) found and made available most of the other photos which illustrate the pages of this book.

Many people assisted us in verifying the spelling of names and researching the context of subjects explored in the interviews. (Even with their help, it is likely that we have misspelled a few names, and for this we apologize. It is almost impossible to track down the correct spellings of all.) As usual, the staff of the university's Getchell Library was very helpful, particularly Barbara Butler, Linda Perry, Sharon Prengaman, Susan Searcy, Kathy Totton, and the staff of the reference desk. Off campus, we were assisted by: the Cal-Neva's Maria Adams, Willy Stromer, Al "Nubs" Peroddy, and Mark Garber; Esther DeVries-Nielsen; Susan Jarvis; Diane Midzor of Harrah's Club; and staff of IGT, Western Village, and the city of Reno's Community Development Office. Thanks to all.

ROBERT THOMAS KING
University of Nevada, Reno
June, 1994

Introduction

AT THE BEGINNING of the Great Depression of the 1930s, eighteen-year-old Warren Nelson lost his job with the Park Hotel in Great Falls, Montana. Work of any sort was scarce, but Nelson did not long remain unemployed — he used a family connection to join a quasi-legal gambling business operating in the back rooms of a local cigar store.

As Warren Nelson set about learning the craft of gambling, the state of Nevada was creating a legal and political environment in which he and many of his colleagues would flourish. In March 1931, with passage of AB 98, Nevada became the only state in the nation that sanctioned the operation of gambling casinos. This presented a great opportunity to professional gamblers working elsewhere, largely outside the law. A number of pioneers in the business — people such as Bill Harrah, Pappy Smith, and Benny Binion — were attracted to Nevada by the prospect of being able to operate without having to bribe officials and without being subject to closure every time the political climate changed. Throughout the decades of the thirties and forties, they and others like them drifted in to Reno and Las Vegas, forming the nucleus of an industry that would eventually dominate the state's economy.

In addition to the now-famous names, many other men and women were drawn to Nevada to deal cards, maintain and repair slot machines, write keno tickets, or otherwise work in support of casino gambling. In Montana Warren Nelson learned how to set up and operate a Chinese lottery game called keno, and in 1936 a fellow Montana gambler who had relocated to Reno asked him to come and put a keno game in John Petricciani's Palace Club. Keno certainly wasn't new to Nevada in 1936, but, as he was to do many

times in many different areas over the next fifty years, Nelson refined the concept, and introduced a game that was more exciting and more successful than any that had previously been seen locally. By doing so he effectively launched what would become a remarkable career.

The Second World War brought astonishing changes to Nevada and her nascent gambling industry. During the war important military installations in the vicinity of Reno and Las Vegas carried huge payrolls. They provided a customer base of many thousands of young men from all over the country — men with money in their pockets and an urge to gamble. The state's casinos grew, prospered, and multiplied. Following the war, as the national economy boomed, more families could afford vacation trips, and Americans in great numbers took to the road in their automobiles. The challenge to casino operators was to learn how to build and operate places that would attract these tourists. What amenities did they want? What services did they expect? What kinds of games would they gamble on? And with so many more customers, how could the integrity of the games be protected?

In the 1930s a typical casino might have had five or six table games, from twenty to a hundred slot machines, a cafe, and possibly a few hotel rooms. Investments and bankrolls of twenty to fifty thousand dollars were enough to get an owner/operator started. The typical casino in 1994 has hundreds of table games, thousands of slot machines, five to ten restaurants, shopping, recreational areas (such as golf and bowling), major amusement attractions, and thousands of hotel rooms. The cost of building these megaproperties is measured in hundreds of millions of dollars, and the operating bankrolls in the millions.

What led to growth of this magnitude? There is no simple answer. Developments in transportation, changes in social mores, and the pragmatism of politicians who recognized a powerful special interest when they saw one were certainly factors. But most important was the evolving fairness of the games. In the beginning, many joints were only marginally honest — operators did everything possible to win, and players were thought of as suckers. This was reflected in the custom of calling operators "gamblers," while their customers were "players," and sometimes even "marks": the product was more hype and salesmanship than it was content and substance. Today, the

integrity of the games is protected by strict regulation and excellent supervision. "Suckers" are now "Very Important Persons," valued customers, and the games are structured to give customers more value for every dollar wagered. The key elements are looser slot machines,¹ bigger prizes, sports betting, and innovative table games. Customers have also come to expect great service and bargains on food, rooms, and entertainment.

The evolution from "joints," owned and operated by gamblers, to today's "gaming entertainment centers" run by trained professional managers was lengthy — but by the 1960s the casino owner no longer kept his bankroll in his back pocket; he no longer dealt or supervised the games, or counted the money, or painted the walls; and he no longer personally hired all employees, greeted high rollers, and chased down thieves who had been caught in the act. Stricter regulation by the state, the need for ever-larger amounts of capital, and the sheer size of the operations were forces for change. Reflecting its movement toward the respectable mainstream of American business, casino gamblers began calling their business "the gaming industry."

Warren Nelson is undeniably an operator who was influential in the evolution of casino gaming. While he was rarely the primary source, he was often an early and important participant in innovations and changes that brought great success to the industry. Nelson was always on the lookout for better ways to operate, to attract customers, and to satisfy them — quick to recognize a good idea, he was never reluctant to try one, modify it, refine and improve it.

Through most of his career Nelson has believed in a simple principle: Give the players the best bet (lowest odds for the house) that you can while still making a profit, and they will play longer, leave satisfied, and come back bringing their friends — it makes better business sense for a casino to average small wins on millions of bets than to average large wins on only a few hundred. That philosophy fueled the dramatic growth of the Club Cal-Neva. It is also at the heart of the phenomenal success of casino gaming in the state. The story of Warren Nelson's personal journey, from his start as a

¹ See the appended Glossary of Gambling and Gaming Terms for a definition of this and all other inside jargon appearing in this book.

"gambler" to his current position as a respected casino operator, can be read as a metaphor for the rise of Nevada's gaming industry.

KEN ADAMS
Reno, Nevada
June, 1994

Part
One IN MONTANA

1

"Always Be Good to Your Father!"

I'M A GAMBLER. Deep inside I believe that every bet I make will be a winner, and every chance I take is worth the risk. There were times, particularly in my youth, when luck was all I had, but luck always carried me through.

Rasmussen Nelsen, who was my grandfather, came to the United States from Denmark by sailing ship. He landed in San Francisco, and when the Civil War broke out he joined the Union army. That was when our family name became "Nelson" — the officer who signed him up spelled it that way on the enlistment papers.

During the war Grandfather worked out of the Black Hills of South Dakota, hauling freight to Cheyenne in big wagons pulled by four to six horses. He was attacked by Indians several times, and once was shot through the jaw with an arrow. This left a scar that he covered with a long beard for the rest of his life. He also took a rifle ball through one knee, and that crippled him a little.

After the Civil War, Grandfather Nelson went back to Denmark, married, and returned to the United States with his new wife. My grandparents were granted a homestead close to the little town of Summit, near John Day in the Blue Mountains of Oregon. There they built a log-and-clapboard house, settled down and had three children: Lawrence (my father), Emma, and Guy — all tough people who lived rough and tough lives. Guy, the youngest, was eventually killed in a bar fight when he was in his forties.

Oregon was great, wild country then. When Emma was about four years old she got lost in the woods while on a family picnic, and for days everybody was out looking for her. They found her in a huckleberry patch, eating berries. On the other side of the bush was a

black bear who was also eating huckleberries. [laughter] It always made a great story that she was dining with a bear when they found her. When Emma grew up she worked in logging camps near her home as a cook. She was a big woman — six feet tall, and about one hundred and seventy-five pounds — and from what I heard, she could hold her own with the lumberjacks. Nobody gave her much trouble. [laughter]

My father, Lawrence, was the oldest of the children, and he couldn't get along with his father, who was big, tough, and mean. When Dad was thirteen my grandfather beat the hell out him one day, so he just left and didn't return until much later in his life. He went to working in the threshing crews, travelling through farm country cutting and threshing wheat during harvest time. The threshing machines were driven by steam engines, and they were pretty primitive, and there were many accidents — men could be burned by the steam, or caught and maimed in the equipment. My father's later interest in the labor union movement may have grown from what he witnessed during this time.

Threshing crews were always accompanied by a special cook wagon, and that was where my father learned to cook. After leaving the crews he went to work at the Saint Francis Hotel in San Francisco as a sous chef under the famous Chef Victor, after whom the restaurant at the top of the Saint Francis was named. At eighteen, he was very young to hold that kind of position. In the earthquake of 1906 the Saint Francis Hotel burned down, and Dad went back up to the Northwest, finally settling in Great Falls, Montana. A few years later, at the age of twenty-three, he became the chef of the Park Hotel on Central Drive, the biggest hotel in Great Falls.

My mother, Bertha Meisenbach, was from a big family that had immigrated from Luxembourg. They all spoke German, and they settled in a German community in the farmlands outside St. Louis, where my mother was born in 1888. When Mother's father died, her mother continued to run their small farm all by herself.

At the age of seventeen or eighteen, my mother moved to Great Falls, following many aunts, uncles, and cousins who had previously made the move. It was a very close-knit group. She started working as a waitress in a little off-beat place outside of town called the Minneapolis Restaurant, where the German people hung out.



Emma, Guy, and Lawrence Nelson, ca. 1890s
“. . . all tough people who lived rough and tough lives.”



Bertha Meisenbach Nelson, ca. 1915
*“She was a great mother, who always stuck up for me
and took me a lot of places.”*

Although my parents never discussed their romance with me, I assume they must have met at this time, since my dad was a cook and my mother a waitress. They married sometime around 1910, and I was born January 19, 1913.

My mother was a very pretty woman — big, tall, stately-looking; almost exactly like my daughter . . . maybe a little different in temperament, but an awful lot alike. She was a great mother, who always stuck up for me and took me a lot of places. She took me to visit family in St. Louis while my dad was away in the Marine Corps during the First World War. That fall I remember farmers getting together at my grandmother's place. They set up long tables under the trees, and a fire was going under a big pot of boiling water. Then hogs were brought in and slaughtered. Maybe ten or fifteen guys would stand at the tables as if at an assembly line, each one with a particular job. They would take the blood out, move the pigs down the line, and cut the hams off. They made headcheese and blood sausage, and smoked the ham and bacon in their own smokehouses. Every bit of the hog was used.

The great flu epidemic hit St. Louis while we were there. Thousands of people were dying all over the United States, but the epidemic was particularly bad in the Midwest; and although I didn't catch the flu, my mother and all her relatives did. It was in the wintertime, and the cold was devastating. The sick adults would let me crawl into bed and cuddle up with them because it was so cold. Everyone was so sick they couldn't even get up to load the coal furnace, and there was nobody but me there to help them.

I remember looking out the window and seeing a wagon being driven down the street with three men on it. One man drove, and the other two went along from house to house taking out the dead people and loading them onto the wagon. The bodies were all frozen stiff, and they stacked them in like cordwood. When they got to the end of the street, the wagon was full.

Serious illness was just a part of life back then due to the lack of modern medicine, particularly for people who lived out in the country and simply didn't have access to treatment. Before I was born my dad had contracted scarlet fever and been sent to a "pest house," a dreadful place outside of town where people with contagious diseases such as diphtheria, scarlet fever, or smallpox were quarantined. He damn near died there.

After visiting in St. Louis, my mother and I returned to Great Falls. Shortly after our arrival home Mother became ill with some kind of infection that they called "blood poisoning." She was down in bed, very sick, and she knew she was dying. She would call me into her room every day, and I would sit on her bed, and she would hold my hand and tell me everything about life that she wanted me to know and remember. "Now, I don't want you to cry, Warren," she said one day. "I'm going away. I want you to think about me, but I don't want you to cry. Remember always to be good to your father."

That same day contests for children were being held in Paris Gibson city park, across from our house. A bunch of little piglets were turned loose, and whoever first caught and held a piglet won. Well, I caught the first pig, but some older kids rolled me over and took it away from me. Naturally, I was devastated. I ran back to my mother lying in bed and told her what had happened. "When your Dad gets back, he'll buy you a pig," she said. Within a few days, my mother died.

Dad returned from the Marine Corps shortly after my mother died. I was riding my tricycle, and I saw this great big guy wearing a Marine Corps uniform coming down the street. He reached out and snatched me off that tricycle, threw me up in the air and hugged me. It just scared the hell out of me, because I didn't know who he was. Then I can remember going to my mother's funeral, and not crying as she had asked.

2

On the Eden Ranch

MY DAD WENT BACK to work as a chef, cooking for long hours and making little money. He was unable to take care of me properly, so my mother's cousin, Lena Meisenbach Bell, and her husband George took me to live with their family, which had cattle ranches in Eden and Hysham. George Bell came to pick me up, and Hysham became my home until the family returned to its Eden property about a year later.

Lena and her husband had two boys and four girls, one of whom, Alta, was my age. The Bells were great, loving people. A month or two after my mother's death, another of her cousins died, leaving two children, Ned and Ivo. Aunt Lena took them in too, adopting all three of us and creating a family of eleven altogether. At the Hysham ranch all of us children slept in a little lean-to built next to the log cabin, which had two rooms and a dirt floor. After about a year there the family moved to the Eden homestead which had been purchased from Lena's parents.

The main house at Eden was built of logs, to which siding had later been added. There were three large rooms downstairs, and four bedrooms upstairs. In the kitchen there was a coal stove, and a fancy potbellied stove heated the living room, but there was no heat in our bedrooms upstairs except for the chimney pipes that went through two of the rooms. On cold winter nights we would heat bricks in the kitchen stove and bring them upstairs to our beds; then in the morning we would hurry downstairs to put on long underwear and get dressed. Sometimes blizzards were so bad that a rope was strung from the house to the barn so that we could go out to feed the animals without getting lost.

There was a single bathroom, which had a tin bathtub with a heater, but no toilet. We

took baths on Saturday nights with rainwater from the cistern, but all the other water that we used in the house was hauled uphill from a spring about a half mile away. The dirty bathwater would be drained out into an area where wormwood grew, a bitter plant used to brew wormwood tea, which was a kind of cure-all.

Another small house, referred to as the "other house," was on the property. It was originally for Lena's parents, but they were unable to live in it due to illness. The "other house" was built of stone, and downstairs there was one large room plus a cooler room, where they kept the eggs, milk, and cream. Upstairs there were two bedrooms which were sometimes occupied by hired hands.

I lived at the Eden ranch until 1921. There were no boys in the family near my age, so my cousin Alta became my closest playmate. Alta was always called "Chubby" by her family, but since I wanted her to be a boy, I started calling her "Chuckie." [laughter]

"What if" was one of the fantasy games that we used to play together as we walked along the creek on our way to school.

"Hey, Chuckie, what if there was a pony walking down this creek?"

"And what if he had a saddle?"

"What if he had a saddle with some saddle bags?"

"What if those saddle bags had a lot of money in them?"

"Well, then, how would we spend that money?" And the game would continue.

All kinds of animals, domestic and wild, lived around the ranch, and we'd catch the wild ones, like gophers and magpies, and try to tame them. In those days people weren't as kind to dogs and cats as they are now — they had to catch their own food, or they were given boiled wheat to eat.

One year there was an overabundance of gophers, and a neighbor, John Pilgrim, offered a penny a tail for all the gophers we could drown in their holes. Instead of drowning them, Alta and I made a house for them out of grapefruit crates and kept some as pets. When the adults found out, they made us get rid of them. Alta and I have remained very close throughout the years, and she has become a true sister to me.



Lena and George Bell, who took Warren in following the death of his mother.
"The Bells were great, loving people."



A grown up Alta Bell, who had been Warren's playmate on the Eden Ranch.

*"Alta and I would sometimes sneak a bucket full of sugar,
and sit under the table and eat it straight."*

We lived primitively, but we had a healthy diet, and my aunt was a very good cook. She made our bread out of ground whole wheat flour, and it was just as black and good as it could be. We never bought groceries (they were too expensive), but Aunt Lena did a lot of canning. We had plenty of butter and cream, and there was always a kettle of boiled wheat on the stove; it would cook all day until it got mushy and glutinous, and we'd heat that wheat up and eat it with thick cream. Another staple of our diet was sauerkraut, which was kept in great supply in a big barrel. So many Germans had settled in the Eden area that it was known as "Sauerkraut Valley." [laughter] Although there wasn't much fresh fruit, things like dried prunes, apricots, and raw peanuts were always out on the table. We ate no meat except when the threshing crews came through to cut our wheat. Then we'd get a side of pork or chickens to feed the threshers if they were lucky.

My aunt and uncle didn't believe in eating candy, as they were followers of Bernarr Macfadden, a natural foods advocate who published a popular health magazine of the times, *Physical Culture*. We did have an ice-cream maker, however, and when a big hailstorm struck we would scoop up handfuls of the icy hail to put in the ice cream maker. It was a really big deal to get to turn its crank, and the older girls wouldn't let me touch it.

Alta and I would sometimes sneak a bucket full of sugar, and sit back in a dark corner under the table and eat it straight. We were crazy for that sugar! My aunt would make cupcakes and good, sweet stuff like that when we had guests; but being out in the country, we didn't have guests too often. As a consequence, we were just sugar-hungry all the time. One time Helen, my older cousin, made five lemon pies with whipped cream on top instead of meringue; I ate four of them all at once and got sick. [laughter]

We had twenty-five to thirty milk cows on the ranch, and we sold their cream, delivering it to the creamery in a two-wheeled cart drawn by a saddle horse. An adult would drive the cart to town to pick up mail and deliver the cream, and on creamery day the neighborhood kids (six or seven of us) would meet and ride to Eden in the cart with a ten-gallon cream can tied up on a seat. If any of us had a nickel or a penny, we'd buy jawbreakers or lemon drops, penny candies.

Living on the ranch was my first experience with discipline and chores. One of my earliest chores was to ride out and bring in the cows. Sometimes I'd spot a covey of prairie chickens and race my pony back to the ranch to get my uncle. We'd take a team of two horses to pull the hayrack, and we'd circle around those prairie chickens, which were so damned dumb you could just sit up on the hayrack and shoot their heads off. My aunt could cook them up so good, I just loved them. Hunting is one of the great joys in my life, and that's when I first started.

When I was ten they tried to teach me to milk cows, but milking looked like the worst job in the world to me. I'd milk a little bit, then I'd reach under and pinch that cow's tit real hard, and she'd kick me and the stool and the bucket over. Finally it was decided that I wasn't cut out to be a milker, so I was never pushed to do it.

As for other chores, I could pitch hay and run the stacker; and I could ride the hayrack and drive the rake, which for speed was pulled by saddle horses, because they were light. You had to whip the horses to make them go fast, and then you would trip a device to make the rows of hay straight. But the worst job was herding sheep. God, they were awful! It was hard to keep a hundred sheep together, and if you lost one, you got into big trouble.

In springtime the sheep shearers would come through. They'd clip the sheep and tie their wool into bundles. Then a big wool sack about twenty feet deep and four feet in diameter was hung from the barn rafters, and the wool was tossed up and dropped into the sack. One person had to get in the sack and tramp the wool down as it was dropped in. You had to pack that wool down real tight in the corners of the sack; and it was hot in there and smelly from the manure and grease that clung to the wool, but you couldn't get out until the bag was stuffed.

Although these chores weren't any fun, they helped me a lot with discipline. You had to do things whether you wanted to or not, and I helped with everything.

I went to Meisenbach School, a little country school named after my mother's family. It was one room, about fifteen by twenty feet, and there were only six students — four girls and two boys. When I started I was the youngest, in the second grade with Alta, who was six months older than me.

We went to school from about eight in the morning until three in the afternoon, five days a week. If there was no snow, we walked, but during those long, cold, snowy winters, my uncle would often hitch up a team of horses and pull us to school in a sled. He'd put a bunch of straw in the sled and cover us up with buffalo robes, and go out of his way to pick up the other kids.

There was a wood stove in the school, and the teacher, Miss Dewsock, would get to school on her horse a little earlier than the students to start the stove. Miss Dewsock was young, just out of school, and very dedicated. Children from three families were attending the school, so she stayed with each family for three months of the school year for a total of nine months. Teachers got room and board plus a very small monthly salary.

I never really studied, but I learned a lot from listening, because the teacher would go from one grade to the next in the classroom and you had to listen. You were privy to all of it, so you could be in the second grade and damn near get an eighth grade education if you just sat there and listened. We learned one subject at a time — writing, reading, geography, and then you had question-and-answer periods.

I could always read well, but there wasn't very much to read at the ranch, and there wasn't much time to read because we were always working during the day. At night you could use a Coleman lantern, but it was damned hard to read by. There were so many people in those days who never had the chance to learn what they should have learned, because there just wasn't an opportunity. What you learned was practical stuff like how *not* to milk a cow, how to pitch hay, and how to shoot a gun.

The only other boy in the Meisenbach School was in the fifth grade, and he was what was known as a bond boy. (Bond children were orphans that ranchers would take in to do work, but they wouldn't adopt bond children.) The other kids in the school were older girls, and the bond boy and I used to tease them. One day we found a nest of baby mice in the school barn where we kept the horses, and we put the babies in our pockets. After we got in from recess, we put one of those pink, wiggly things on the floor, and the girls just screamed and screamed. [laughter] So the bond boy and I had to stay fifteen minutes after school every day for a whole month.

We were always teasing the girls. During the summer after the haying was done I had a lot of free time, and I would spend all day playing in the creek near the house. I'd walk up and down that creek all day long, just fooling around. There were a lot of frogs in the creek, and one day some girls I knew, cousins that I admired, decided it would be a good idea for us to catch some and to cook frog legs for dinner. I caught about sixty or seventy frogs, all pretty good sized, and we cut their legs off and skinned them. My aunt wouldn't let us in the house with them, but we were able to get a big frying pan and some grease from her.

We built a fire for cooking in the fireplace in the back yard, and since I had caught so many frogs, I assumed I would be helping to cook the legs. But the girls said, "No, no, no! Get away. You can't cook!" They just pushed me away. [laughter] So I took the frog bodies and went off by myself and took out all the eyes; and when the girls weren't looking, I threw eyes in the frying pan with the legs.

About halfway through the meal one of the girls said, "What's this?"
"Oh, that's one of the eyes," I said. I got to eat all the frog legs.
[laughter]

Life on the ranch was great, and most people who were raised in the Eden area consider it to be their home no matter where they ended up settling. Every year I still journey back to Montana in my motor home to hunt, fish, and just enjoy the scenery. Alta wrote a poem about our Eden home when she was a little girl:

Night has fallen,
The stars are gleaming,
I feel so lonely, and I'm dreaming,
Dreaming of my Eden home,
And the prairie I used to roam.

3

Times Were Tough

ONE DAY WHEN I was about nine years old, my father came out to the ranch and told me, "I'm going to get married and you're going to have a new mother. I want you to be good to her, and she'll be good to you."

My stepmother, Margaret, was only nineteen when my father married her, and she acted her age . . . drove a car wild and fast like a kid. She was a beautiful woman, about five foot six and very slim, and she took good care of herself. Margaret had had a tough time before she met my dad. She was born in Oklahoma, and her father died when she was very young, leaving her mother with four girls and a boy to raise. They all picked cotton to make ends meet. When Margaret was fourteen she married a guy who was part Indian, and gave birth to my stepsister Frances; but she soon divorced him and moved to Spokane. Unable to make a living there, she moved to Great Falls, where she met and married my dad.

Margaret was hard working, and although I had learned the basics of chores and discipline at the ranch, I really learned a lot about domestic work from her. I helped wash and clean everything around the house, and I would help her with the laundry, which was done in a big copper kettle on a stove in the basement. I'd lift the clothes out of the hot water with a wood stick and put them through a hand wringer, which was easy for me because I was strong.

With my stepmother's help I became a good cook, and when I was about twelve years old I cooked an entire Thanksgiving dinner for a family whose mother had died. Margaret sent me over to cook for them, and I made turkey, mashed potatoes, candied sweet potatoes, brussels sprouts, gravy and dressing. It was just as good a dinner as you

could cook, and I did it. I probably still could, but my wife is too good a cook for me to try it now. [laughter]

My stepmother was a great woman, and she had a hell of a lot to do with shaping my character. She was very strict, and was opinionated about a lot of things; but she was good to me and good for me, and whatever she told me to do, I did it. I can never thank her enough for what she taught me and for how strongly she disciplined me. However, she treated Frances, her real daughter, just the opposite. She was very partial to her, and, being younger and being a girl, Frances just got away with everything and got no discipline at all. Frances and I never did get along.

When I was about nine or ten, things were real tough for us. My dad was working only part-time, and he had a whiskey still in the basement, making moonshine to supplement income. Margaret would deliver it. It was a way of staying on their feet. Times were tough, and we didn't have a hell of a lot, although we did have a car and always wore good clothes.

In Great Falls I entered Lincoln School, starting in the fourth grade. Lincoln was so different from that small country school in Eden! Instead of six kids of different ages in the same room, there were thirty or forty kids all the same age, half girls and half boys. I had no idea how to relate to these kids — I had never even seen a baseball, much less played the game; I had never played football or marbles; and I had never seen a game of hopscotch.

At first I tried teasing the boys at Lincoln like I had teased the girls at my old school, but every time I did that, some kid punched me in the nose or gave me a black eye. I thought I was so smart! I had a squirt gun with a rubber bulb on it, which I filled with ink and took out to the playground. A big farm kid named Garvin Matts was wearing a nice white shirt, so I squirted so much ink on his back that he could feel it soaking through. He just beat the hell out of me for that, breaking my nose and splitting my ear. He *pounded* me!

When I was about thirteen all the neighborhood kids formed football teams, and we held games in Gibson Park. My team was known as the "Deer Pen Demons." Once I got in a fight with a kid on another team, and knocked him down several times, but I wound up with four broken fingers, two on each hand. The doctor bound them to big, unwieldy, wood splints. Both my hands were useless — I was unable to button my pants or my shirt, and going to the bathroom



Margaret, Frances, Warren and Lawrence Nelson
"My stepmother has a lot to do with shaping my character. She was very strict."



Stewart Bell

"Whenever he would tease me, I fought back with whatever I could find."

and eating were real adventures. But when I got back to school the next Monday morning, I found out that I'd broken the other kid's jaw, so the whole ordeal did not seem to be in vain. [laughter]

Learning how to get along with kids was a difficult, painful process for me, and it wasn't until high school that I really began to feel comfortable with my peers. However, the few friends that I did make as a youngster became life-long friends.

A family named Murphy lived across the alley from us — nine boys and three girls. I more or less became a part of that family, and I spent a lot of time with them, particularly the three oldest children, Florence, Joe, and Owen, who was my age. I was especially fond of Owen, and remained so until his death in 1992.

The parents, dirt poor Irish, were good friends with my parents. Old man Murphy was a bricklayer and a drunkard, and when he'd blow his paycheck my dad would send over a sack of potatoes, milk, and fresh elk meat.

From the age of fourteen I used to go elk hunting with my dad, who may have been the best elk hunter in the state of Montana. He was strong and sure, a very good shot who could walk all day, and he spent a lot of time tracking elk and studying their habits. Although he always had a job, elk meat for our table really supplemented his paycheck, and this was important during those tough times. I learned to love elk meat, which was good, because we hardly knew what beef was. [laughter]

Of course, back then there were no freezers. The ice man just came and delivered a block of ice, or you could leave your meat at the ice house that was run by one of my dad's friends. He would butcher the meat, wrap it with your name on it, and store it in a big freezer in the abandoned ammonia plant. We would go to the ice house twice a week to get meat. They would also freeze vegetables or anything else you wanted.

On weekends in town, our mother would give Frances and me fifty cents to go to the movies. It cost ten cents apiece to get in, and you could get a milkshake for fifteen cents. We squandered every cent. They had a serial called "Pearl White and Plunder" at the Alcazar theater. Every Saturday they'd stop the film at a real wild, crucial point, and continue it the next week, when we'd just fight to get back in there to see the movie and drink milkshakes.

Even though I was living in Great Falls, I continued to spend summers out on the Eden ranch. When I was ten, my oldest cousin Stewart drove in to town to pick me up and take me to the ranch for the summer. I had just bought a new puppy for fifteen cents, and was real excited about taking him out there with me. On the way, Stewart stopped the car and said, "Warren, do you see that rabbit out there?"

"Yeah, I see that rabbit."

"Well, do you think that dog of yours would chase that rabbit?"

"Sure, he would." When the dog took off after the rabbit, Stewart drove away, and I never saw my dog again.

Stewart and I became pretty close, but he was mean to his sister, mean to his father and mother, and he was mean to me. I wouldn't stand for it. Whenever he would tease me, I fought back with whatever I could find — a rock, a stick or a club.

Stewart lorded it over the other children, and he'd even lash them with a blacksnake whip that he carried. Once he discovered some orphaned baby birds that I was raising, and when he saw them opening their mouths to be fed, he dropped little rocks down their throats, which killed them. He was just inherently mean, and as time went on, he got meaner.

Stewart was about eleven years older than me. He did a lot to help run the ranch, but he became more and more peculiar. He was an absolute, dyed-in-the-wool vegetarian, who seldom even ate bread. In the summertime he'd go out in the garden and pick a head of leaf lettuce, twist the roots off, shake it, pick the caterpillars off, and just sit there and eat that lettuce — nothing on it: no salt, no pepper, no nothing. [laughter] Then he'd reach over, pull up four or five carrots, wipe them off on his overalls, and eat them. Once in a while he'd have a drink of milk. He never married, and he lived that way until he died at eighty-five.

During the summer Stewart and I slept in a bunkhouse away from the house. He had bad asthma, and after pitching hay or being around the horses he would cough all night.

There were a lot of rattlesnakes around in those days. When Aunt Lena went out to pick wild chokecherries, currants, gooseberries, and the purplish serviceberries that grew as big as your thumb, she always carried a club to kill the snakes. And my cousin Caroline —

a hot-tempered, strong girl who liked to work with the men — used to kill rattlesnakes with a hayfork.

It was stylish for all the young men to wear rattlesnake-skin hatbands. By the time I was twelve I was a smart-aleck kid, and pretty quick, and I liked to catch rattlesnakes with my bare hands and kill them. To do this, I'd wait until the snake uncoiled, grab it by the tail, and whip it real hard so its head would snap off. If that didn't work, I'd find a fence post or rock and whack its head against it until it was dead.

When I was fifteen, Stewart and I rode thirty miles to pick up some cattle and herd them back along the Missouri River to the ranch. That was a long, tough ride. We had about forty head of cattle, and some calves were born along the way. When the calves got tired, we stopped until they were able to travel, and while we were resting I saw a big rattlesnake going down a hole. I grabbed its tail to pull it out, when all of a sudden Stewart hit me alongside the head and knocked me down.

"What's the matter?" I asked. "Why did you hit me?"

"Don't you ever do that again. That snake will kill you," he replied. I hadn't realized how big it was . . . maybe ten or twelve rattles. I probably would have gotten bit and maybe killed if I'd taken on that big a snake. It taught me a lesson; I don't grab big ones by the tail anymore. [laughter]

Stewart taught me everything about the ranch, and about horses, cattle, and sheep. That summer he and I took three mares to be bred to a good Morgan stud on a ranch about twenty miles away on Deep Creek, off the Smith River near a great fishing stream. We trailed them on a real difficult path through a deep canyon down to the ranch. When we got there, we learned that the rancher had cut the stud, so there was no way to breed the mares! [laughter] He said, "Well, stay overnight and have dinner anyway."

"No," we replied, "We're going back." We turned right around, with those three mares behind us, and rode all the way back to our ranch. We had had nothing to eat for thirty-six hours. That's just the way it was.

Stewart wasn't big on eating, anyway. One day I was helping him run the hay rake at another of the family's homestead areas, and he forgot to bring anything for us to eat. After we had been working all

day I found an abandoned stone house on the property, looked in the basement where food was usually put to keep it cool, and found six eggs and some lard. I built a fire and cooked an omelet without mixing the eggs. Later I discovered those eggs had been about two years old . . . but we were so hungry that they sure tasted good.

Every once in a while we'd visit Miles City, an old Montana cowboy town of the West. On Saturday nights cowboys from outlying ranches would come to town to get drunk in the bars, and ride their horses up and down main street, full blast, shooting pistols in the air. They weren't trying to kill anyone, but occasionally they'd shoot at each other; usually they were too drunk to hit anything. Nobody bothered them — they were free to drink and raise hell the length of town.

Charlie Russell was the epitome of a rough and tough cowboy.¹ He and my dad were friends from 1910 or 1911 until Charlie's death, and I can remember him sitting out in front of the Mint Cigar Store, where I later worked. There were high curbs in those days for the wagons to back up to and load or unload, and the curbs were a comfortable place for people to sit. Famous guys of that era — Will Rogers, Will James, Charlie, and others — would sit on the curb in the summertime, drink beer, and just talk, because it was too damn hot inside. Those colorful old-timers are very vivid in my memory, and my interest in gambling (they all gambled) probably dates from that period.

On Sundays, Charlie and my dad would go down in the basement and drink warm whiskey before it was flavored with anything, just as it was coming out of Dad's still. Charlie'd bring over a couple of willow hoops with beaver hides on them, and he'd flesh the skins while he and my dad talked and sipped whiskey.

I was told that in the early years Charlie was something of a drunk who would pay his bar bills at the Mint with pictures he had painted. Those paintings would probably be worth millions of dollars today,

¹ Charles Marion Russell (1864-1926) was a painter and sculptor of Western scenes and subjects. Born in St. Louis, Russell left for Montana at the age of sixteen to become a cowboy. He eventually launched a career as an artist, established a studio in Great Falls, and became a popular painter of cowboy and Indian life.

but a friend of mine later bought the place and sold the paintings for practically nothing. Eventually, the gal that Charlie married straightened him out and promoted his work.

Charlie's paintings and sculptures became more and more renowned, and he made money and began to travel all over the world. The first fresh pineapple I ever remember seeing or eating was brought to me by Charlie Russell from Hawaii — he came back on a boat, bringing a whole case of pineapples with him. When he was in Europe, he would write to my dad, saying, "Hi, Swede! You can't believe these people over here in London," and he would draw pictures of the Buckingham Palace guards in their funny-looking helmets. It didn't seem like a big deal at the time, but those letters, which are lost, would now probably be worth thousands of dollars.

When I was in the seventh or eighth grade, Charlie Russell died, and we were let out of school for the funeral. Everybody stood on the street and watched that big hearse drawn by four black horses. In cowboy style, Charlie's saddle horse, with the stirrups tied up, trailed the hearse.

4

"You're Big Enough if You Think You're Big Enough"

I STARTED Great Falls High School in 1926, but I only went a year and a half before I got kicked out. Punching the principal in the nose *will* get you kicked out of school. [laughter]

Just before school was out for the summer my first year we had Roundup Day. Everybody dressed up like cowboys and Indians, which I thought was pretty neat. I borrowed a six-shooter from Sid Willis, who had been sheriff of Valley County in the eastern part of Montana, and later worked with my dad in the Mint Cigar Store. That pistol, a big .44, had a rosewood handle and came with a holster, and I strapped it on for Roundup Day.

I had gotten ahold of some blanks, and I loaded the pistol with them, and . . . I put the gun behind me, and my finger just happened to pull the trigger, and WHOOOM! That big gun kicked like hell! The principal, Irving Smith, was standing behind me in a white leather Indian outfit with a big headdress, and he got a black powder burn about a foot wide just below his belt. He was very angry, but he didn't do anything to me . . . yet.

The next year I was sitting in study hall, just reading a book while the other kids raised hell. The head of study hall called for the principal because the kids were out of control, and although I wasn't doing anything, Mr. Smith tapped me on the shoulder along with two or three others. When we got to his office I asked, "What's this all about?"

"For raising hell in study hall," he answered.

"I wasn't raising hell. I was reading a book and I didn't do anything."

"Bend over," he said, reaching for his big paddle. I absolutely refused, so he called the manual training teacher and the janitor, who put an arm lock on me and bent me over. I

told the principal, "Don't you dare hit me," but he gave me kind of a token swat. When they let me go, I punched him in the nose. At that point, he expelled me from school. I didn't care: he was a real officious little guy, and I felt he was just wrong and that I was absolutely right.

My father was angry with me, both because of my expulsion and because I was living a pretty wild life, drinking dandelion or chokecherry wine whenever I could buy it or steal it. He took me up to my room and really chewed me out, yelling, "I ought to knock you down."

"You'd better not try!" I yelled back.

He just walked out.

Dad had quit school when he was in the third grade; nevertheless, he educated himself, and he could read and write well, and he respected the value of an education. He was a real strong union man, and he held key positions in several unions, including the presidency of the Cooks and Waiters union. One Labor Day he spoke to a crowd of more than fifteen hundred. He would gesture and posture, and really make believers out of people . . . and it was clear that they needed unions — Dad was making only about six dollars a day as the chef of a large hotel, and he was working twelve hours a day, seven days a week.

My father was a great leader, no question about it; and to be a great leader, you have to be a bit bull-headed. It was either his way or no way. He was so strong in what he said and what he thought, and I was so strong in what I thought and what I said, that there were some tremendous conflicts between us as I grew up. There was also a lot of love, but it was not a demonstrative love. He would never put his arm around me, preferring just to shake my hand; and although he did things that expressed his love for me, he would never come out and directly praise me to my face. Instead he would tell everyone else how wonderful he thought I was: "Hey, did you hear what Warren's doing now?" Then he would go on to recount all of my achievements.

To this day, no one knows if I'm a Democrat or a Republican; but there was no doubt about my father — he was a dyed-in-the-wool Democrat who could really influence ordinary people. Everyone looked up to him because he could deliver the votes. If my dad

needed something, he had no compunction about asking for it, which is a trait that I've chosen to emulate in my life. My dad also had a lot of older friends that he admired and from whom he learned a lot.

Dad was a big, strong man, over six feet tall, weighing 225 pounds, and everyone called him the "Big Swede." (They tried to pin the name "Little Swede" on me; thank God it never stuck.) But throughout his life he was afflicted with migraine headaches that were very debilitating. He'd be sick for three to four days, in terrible pain, throwing up and unable to eat. As he entered his sixties the migraines brought about a gradual deterioration, and he just became weaker and weaker until he died in 1972.

My expulsion from high school had made my dad so mad that he didn't speak to me for two years. My stepmother, who had been fighting with Dad about me, finally talked me into going to school in Helena at Mount St. Charles, now known as Carroll College. At the time it was a combined high school and college, with about forty people in high school and more than twice that many enrolled in its college curriculum. I was already working, and making good money, and my dad said I would have to pay my own tuition and fees. That was all right with me.

Mount St. Charles was probably a turning point for me. There I met Sid Smith, who became one of the most important people in my life. Sid was the prefect in my dormitory. He took an interest in me, and he was a very strong, tough disciplinarian. If you did something wrong, he would grab hold of you and rub his rough beard across your face, almost taking skin off. [laughter] Sid was the president of the student body, captain of the football team, and a strong Catholic. He was a real man, and he wanted you to be a man like he was.

My dormitory housed about forty-five of us, and, as prefect, Sid slept in a semi-private tent-like space with curtains all around it. College boys who lived in the dorm got to go out on Saturday nights, but they had to be back by midnight. Sid would bring back a milkshake and hamburger for me, and we'd go into his tent and eat and talk.

When I was a junior, Sid became the basketball coach. I was on the team, but I was a tall, skinny, clumsy kid. To prepare me to play the game Sid made me dribble a ball for two months without shooting a basket or playing with the rest of the team. That's all I did

for two months — dribble; but it really straightened me out. More than anything else, getting down low and dribbling the ball taught me good balance. By the time I was a senior I was playing first string center. There were only eight kids on our team, but we did pretty well, coming in third at the regional tournament.

The next year, when I started playing football, Bill Jones was the new coach and Sid was his assistant. Jones said to me, "I heard you're a pretty good basketball player. How would you like to play football for me?"

I only weighed 145 pounds, so I said, "Coach, I don't think I'm big enough."

He looked at me and said, "Son, you're big enough if you think you're big enough. Do you think you're big enough?"

"Yes, sir, I think I'm big enough." So I went out for football. Sid wanted me to be an end because I was six feet tall, so that became my position.

Bill Jones had gone to Notre Dame, where he was a member of the famous team known as the "seven mules and four horsemen." He had a big effect on my life by giving me confidence that I had never had before. As my football coach he always gave me a chance, put me out front and let me try, even though I wasn't a good player. (Jones eventually became the chief judge appointed by President Kennedy for the District of Columbia. He was John Sirica's boss when Sirica was the judge for the Watergate hearing. I had kept in touch with him, and he allowed my wife and me to sit in at one of the hearings.)

We were a very good football team — undefeated, untied, and unscored upon. Our scores were low, but winning scores nevertheless; good enough to win the state championship, which was a big deal at the time. A newspaper picture of me captioned "Local Boy, Warren Nelson, End for Mount St. Charles" was posted in a Great Falls store window, and I went downtown to see it. While I was looking at it, someone put a hand on my shoulder. It was my dad. "That's a good picture, kid." After our argument over my expulsion from high school, it had been two years since he and I had spoken to one another; and although we stayed closer after that, we continued to butt heads occasionally: we were both pretty stubborn.

Other than my coaches, the other influential people in my life during this time were the Catholic priests, Norbert Hoff, E. G. Riley, and Father McCormack. They were very dedicated to helping young people, and they kept talking to me about religion and going to church.

Sid was a very strong Catholic. He convinced me to join the church, which I did in my senior year in high school. He stood up for me as godfather when I was confirmed, and I remember thinking that it might even be a great thing to become a priest.

Sid was one of the strongest and greatest men I have ever known. He took me under his wing as coach, friend, and mentor. Later he became the railroad commissioner of Montana, and next the labor commissioner, always remaining politically active. We were close friends until his death in 1992.

I decided that I would go on to college after graduation from the Mount St. Charles High School, and my dad, who was politically very strong, encouraged me to consider West Point. Senator Walsh told my dad he would give me the appointment if I could pass the qualifying exams. In the interim I registered for the first term in the Mount St. Charles college program, and I told the registrar that I needed a lot of math to prepare for West Point. I was given trigonometry and advanced algebra, but I had no background in these subjects and was in way over my head. In the second or third day of trigonometry, the priest said, "Turn to the chapter concerning cosines."

"What's a cosine?" I asked.

"Didn't you take algebra?"

I told him I hadn't, so he gave me a book and told me to study it. I looked at it that night in my room and realized I had no idea what was going on. I took that book and threw it over my shoulder into a corner. It might even be there today, because I never picked it up again. [laughter] As a result, from that September until December, I faked everything in school — got away with it too. [laughter] I probably had a C average coming out of high school, and no grades at all in college, because I didn't go to class. I stayed in the gym instead, playing basketball or handball, and just loved it! Understandably, I decided not to try to go to West Point.

Discipline was probably the most important thing I got out of school at Mount St. Charles. When somebody told you to do something, you had to do it; if you were caught doing something wrong, you were punished — sometimes it's necessary to just conform and follow the rules. But academically I didn't really learn much, because I faked it all the way through. I was interested in too many other things to pay attention to school.

5

I Was Making So Much Money!

IN MY SOPHOMORE YEAR in high school I had gotten a job as the only bellboy at the Park Hotel, where my father was the head chef. The Park, with about two hundred rooms, was the biggest and classiest hotel in Great Falls. It was located near the railroad station where everyone came into town, and one of my responsibilities was to meet arriving passengers. When I called out "Park, Park, Park Hotel!" my voice would break; but the bellboy from our competitor, the Rainbow Hotel, was a fat, jolly black man whose deep-voiced "Rainbow, Rainbow" was mesmerizing: it would begin to sound like "train bell, train bell."

At the railroad station I would load our guests' baggage into my cart and pull it back to the hotel, and I would get to know them as they walked along with me. A lot of them were salesmen. They would display their wares — suits or whatever — in big rooms in the hotel, and there could be as many as three or four sales rooms going at the same time.

Business was booming, and so was bootlegging, because Prohibition was still in effect. People would call me up to their room and say, "Hey, kid, get me a bottle of moonshine!" So that's what I did. You could buy bootleg whiskey for two dollars a pint and sell it for five. Real Canadian whiskey was more expensive, so bootleggers would put phony seals on some bottles, passing them for Canadian. You could buy that whiskey for five and sell it for fifteen. I was making so much money!

On the graveyard shift I would start at midnight, and by two in the morning my pockets would be full of tip money. My mother sewed canvas pockets into my pants clear down to my knees so I'd have enough room for all the money. I made two hundred

dollars a week and more, a *tremendous* amount then, and that enabled me to pay my own way through Mount St. Charles and buy my own clothes. I would give some money to my mother and other people who needed help, and spend the rest on nice clothes and parties. But I didn't buy a car and never wanted one — it was more fun to sit in the back seat with a girl than it was to drive.

The graveyard shift was tough, particularly in the summer. When I got off at eight o'clock in the morning, I'd try to sleep for a few hours; then I'd get up early and go see a friend of mine, Jack Mullen, who lived with his mother in an apartment house. It was cool up in that apartment, and Jack would go out and get me a quart of Coke, double strength with lime in it, which was almost like taking a "benny." [laughter] On the graveyard shift, I practically lived on Coca-Cola.

C. R. Loutherback, my stepmother's younger brother, came up to Great Falls to visit us when he was about twenty-two. He was a good looking little guy, about five-foot-six, and it was said that the reason he left Oklahoma was because he looked like Pretty Boy Floyd, whom the authorities were trying to catch for robbing so many banks. Every time C. R. turned around, he was getting picked up. [laughter]

I never learned much from C. R. except how to drink whiskey. When I was a kid, drinking was the smart thing to do. We'd go out in a group, hitting all the bootleg joints, and as time went by I grew wilder and wilder. It's lucky I didn't die from some of my experiences.

One night I went with C. R. to a little bootlegging joint where we bought two pints of whiskey. C. R. turned his bottle up and drained it, and then tossed the empty over his shoulder. "That's the way we drink whiskey in Oklahoma," he said.

"We usually drink ours in Montana the same way," I replied, and drank mine down.

We were going to a dance with a guy who had a car, and we all got in and headed out into the country. All of a sudden, I just went comatose. I didn't pass out, but I couldn't talk, couldn't say a word. I had been seeing a good-looking girl named Zola, who was to meet me at the dance, but I couldn't even get out of the car when we got there. C. R. went on in, and Zola approached him:

"Where's Warren?"

132. Park Hotel, Great Falls, Mont.



"I had gotten a job as the only bellboy at the Park Hotel, where my father was the head chef."

"Well, he's out in the car."

So she came out to get me. I just sat there, paralyzed. [laughter] It scared the hell out of me! And it was the end of my relationship with Zola.

We didn't know it, but the guy who had driven us to the dance had stolen his uncle's car to do it. On the way back, at about seventy miles an hour, the car went off the road and we landed in a mud lake. We were stuck bad in mud several inches over the running boards, and still I sat there, unable to talk. The others called a wrecker who agreed to pull us out for fifteen dollars. C. R. knew I was carrying a lot of tip money, so they went through my pockets and took enough to pay the wrecker.

I got to bed at maybe five o'clock in the morning, and didn't get up until it was time to begin my next graveyard shift as a bellboy, still horribly hung over. When I rode the elevator to take a guest up to his room, my stomach felt like it was falling to the bottom of the shaft. I ran down the stairs to the basement restroom to throw up. Someone found me there on my hands and knees, and I was so sick and dehydrated that they took me to the hospital and pumped my stomach out. It might have been the best thing that ever happened to me, because I've never touched a drop of bourbon since. Vodka is my drink now . . . but I never drank anything excessively once I started a family.

When the Depression hit, the bottom fell out of my job as a bellboy. Most of the rooms in the hotel were empty, and the place was as still as a morgue. I wasn't making a quarter a day in tips, so I quit.

About that time my dad and Cal Lewis went into partnership to set up an illegal keno game in the back of the old Mint Cigar Store. Dad bribed several officials to look the other way — two hundred dollars a month for the sheriff, two hundred dollars a month to the county judge, and six hundred for the "licensing" fee.

I asked my dad if I could go to work there, but he didn't want me to. "You're not even twenty-one yet," he said, "and I don't want you in the gambling business, anyway."

Since my dad wouldn't say yes, I went to Cal Lewis. He said, "Your dad told me you might come in, and he doesn't want me to

give you a job. But . . . what the hell? I'm running the joint. You can come work for me, and I'll take care of your dad."

Cal Lewis was a real character, a frontier gambler. He knew all about the wheel, faro bank, twenty-one, and keno. Cal was close to seventy, a very handsome, imposing man — tall, with a ruddy complexion and a pink, bald head, ringed with a fringe of pure white curly hair. To cover up the bald spot, he always wore a white cowboy hat. His complete outfit included a white gabardine shirt with a diamond stick pin, cowboy boots and cowboy pants, and on his little finger a five carat diamond ring, very big and ostentatious. Dressed in this all-white cowboy outfit, he really looked like one of the good guys. [laughter]

Cal was a great politician, and I learned a lot about handling people from him. He would greet everyone who came in, saying, "Hi, partner! How ya doin'? Come on in and we'll have a drink." But he never bought a drink for himself. All day long he'd sit there and drink short beers bought for him by customers, and just put that drink money in the cash register. He made a lot of money that way, and never spent any of it. And he hated a nickel because it wasn't a dime. [laughter]

Even though Cal would take advantage of you, no one ever seemed to get mad at him, he handled people so well. One day my dad came into the Mint and found me trying to learn keno from a young guy named Jimmy Shea. Dad told me to get out, but I said, "I'm going to work here." He went to find Cal Lewis, and Lewis told him, "Leave the kid alone. He can't do any good if he doesn't have a job." So Dad just walked away, and I continued to work there.

Keno, which was originally a Chinese game, was well known throughout the West. Everywhere you'd go, Chinese could be found running illegal keno games. Some of them had tried to start games in Butte, but their competition, white professional gamblers, would get their games closed up. Then a fellow went in partners with a Chinaman, and when he learned everything he could from him, he kicked him out. The Chinese were looked down upon so much that you could do anything to them and no one would say a word.

I learned how to handle a keno brush and how to write tickets from Jimmy Shea, but when he tried to show me the formulas for the game, I just couldn't understand. So I went to one of my math

teachers, Father Rooney, the assistant to the president at Mount St. Charles. He had a reputation for being a top mathematician, and when I showed him what I needed, he said, "No problem. That can be figured easily."

"Will you do it for me, Father?"

He replied, "I'll give you the basic formulas, but you'll have to figure everything else out yourself."

I took his formulas over to Butte to talk to the keno men there. Then, with the added input from these guys, I went back to Great Falls, took a roll of butcher paper, laid it on the floor, and began my calculations stretched out on my stomach on the floor, writing with a pencil while scooting backwards. I checked my work over and over to make sure I hadn't made any mistakes.

During that same period a Chinese fellow who used an abacus taught me a lot about keno. I never figured out the abacus, but I learned all the "ways" on a ticket and all of the payouts. And I probably learned more math in those three months than I learned all the way through school. [laughter] Without realizing it, I was also learning a game that would turn out to be the foundation of my career in casino gaming.

6

Dealing Keno at the Mint

THE MINT CIGAR STORE was a pretty high-class place. Its decor was opulent, and included tiled floors, leaded glass windows, solid mahogany billiard tables, velvet curtains, statuary, and frescoes. Western paintings by Charlie Russell were hung on the walls. Cigars were sold up front, where there was also a big lunch counter with stools.

People came from miles around to have lunch — pork or beef sandwiches on big buns with special gravy, thick milkshakes, malted milks, and Coca-Cola. Our customers were doctors, lawyers, firemen, and farmers. Indians were not allowed to come in, and the bums hung out at smaller hotels and boarding places that didn't even serve food.

Three or four poker and pan games, along with the keno, operated in back rooms of the Mint. Since women weren't allowed back there, a circular window for a keno ticket station was cut into the foyer of the ladies' restroom, which was adjacent to the keno room. (Women were permitted to play keno, but not other games.)

We also had a side hall that could hold sixty or seventy people, and girls would put on shows there at night. These were all neat, nice girls — not hustling, but going from town to town just to perform. But some hustling girls would hang around the Mint, too. Cal Lewis always had a woman on his arm — young or old, made no difference to him — and he was real friendly with the working girls, introducing them to me, embarrassing the hell out me. [laughter] He would say, "Ladies, I'd like you to meet Warren Nelson. He's quite a man . . . packs a hell of an affidavit, and always deposits more than he withdraws. You can't imagine what he can do for you!" I'd just sit there, hanging my head and blushing.

A lot of dance bands and entertainers also came through town. Great Falls had the Opera House, a place where Chautauquas were held. Plays and boxing matches were also staged there. People would come from all over the West to see these events, and there were always a lot of performers like singers and dancers around town.

I went to work on the keno game in the back room of the Mint. In the beginning we drew numbers the same way the Chinese did. First we printed numbers 1 through 80 about an inch high on separate slips of oiled paper. Then we cut light rubber tubing into eighty, two-inch cylinders. Before a "race," each slip was rolled and put into a cylinder. All eighty cylinders were dropped into a big dishpan, and while the pan was shaken around, somebody called, "Coming out! Coming out! Make a bet!" Taking the cylinders from the big pan, the dealer then dropped them one at a time into four smaller pans until they were distributed evenly, twenty cylinders in each of four pans.

(The four pan concept was borrowed from the Chinese, the pans representing North, South, East, and West. Similarly, each of the eighty numbers originally represented an element from nature, such as heaven, earth, sun, fire. However, these meanings died with the Americanization of keno, and the numbers became nothing but numbers.)

The numbers of the pans, 1 through 4, were on slips in four bigger cylinders, and one of the players was asked to pick a cylinder. The number in the one he chose was announced, and the twenty numbers contained in that pan were called out as winners. If a mistake had been made and the pan was short a cylinder, one was drawn from the pan that was over; if the announced pan was long, a cylinder would be discarded before the numbers were called.

The sheriff finally told us that our method was illegal. Instead of cylinders and pans we would have to use punchboards (which were legal in Montana) or the game would be closed down. So I had a carpenter build a large, shallow, open-faced case partitioned into eighty square compartments. Then I took big capsules that were used for horse medicine, and put the numbers in eighty of them. These were shaken in a pan and placed randomly in the eighty compartments. Behind each was a small hole through which you pushed

a rod to tumble the capsules with the twenty winning numbers into a tray below.

At first we called the game at the same rate as the Chinese — one day game and one night game. But it was just too dull and boring to sit there and wait, so I said, "Let's call one game now and one in an hour," which I'm sure was the first time that the game was called with such speed. Then I said, "What the hell! Let's do it every half hour."

We'd call, "Coming out on the hour, on the half. Who's next?" We'd only get thirty or forty tickets in a half hour, so we decided to call the game every fifteen minutes: "Coming out quarter of, quarter after, on the hour, and on the half." It really got busy then, and sometimes on Saturday we went over the prescribed time.

With two shifts, staying open from ten o'clock in the morning until two o'clock the next morning, we were doing a hell of a business, writing about a thousand dollars a day with the average ticket being twenty-five cents. I was making eight dollars a day, and I had eight men working for me making six dollars a day. Back then that was big money. Several of the people that I had hired to work for me — Jimmy Brady, Clyde Bittner, Johnny Morris, and Dick Trinastich — became very proficient, and they later were the cadre that I brought with me to open the first keno game in Reno at the Palace Club.

Writing about a thousand dollars a day, we were making over three hundred dollars a day, since the keno game percentage was set at 33 percent. We were paying about fifty dollars a day in wages and six hundred a month for license fees, besides paying out a little bribe money . . . a pretty sweet little operation! But all that time, I never saw a tip; I really never learned what tokes were until I dealt in El Cerrito, near San Francisco, during the war.

The Mint would occasionally get closed up for a while due to complaints the sheriff received from people who were either opposed to gambling or were unhappy losers. When the heat died down, we would open up again. It was very sporadic. We would run for a month or two, then get closed down for anywhere from a month to four months . . . until our people put on enough pressure, usually in the form of bribes, to get the sheriff to allow us to open again.

During down times I'd sometimes go fishing out at a place in the country called The Gumdrop Inn that used to be owned by the Isaak

Walton League, a conservation club. Six or seven of us from work would go out to this log cabin that was supposed to be closed. Right next to the cabin ran a big creek filled with fish, and there were a lot of grouse to shoot. We'd get about twenty dollars' worth of groceries and live off the land. If we got lazy, we could just drive like hell down the road, run over a few turkeys, throw them in the back of the car and have turkey dinner that night. [laughter]

Another time when the keno game was closed down, I got a job as a steam fitter's helper. It was a terrible job, twelve hours a day, making me just dead tired at the end of every day. My boss was a little Swede, about five feet tall, who was contracted by the school district to change over their furnaces from coal to gas. It was in the hot summertime, and I'd have to go into the fireboxes of the furnaces to clean them out so they could be fitted with gas fixtures. What a filthy, crummy, dirty job!

However, the worst job in the steam fitting business was having to thread pipe by hand. Ordinarily, we'd use an electric mule that would turn the pipe for threading, but one day the electric mule broke and we had to use a mechanical threadder that you turned by hand. The pipe would get so hot from the friction that you couldn't touch it! Finally my misery ended when the boss told me he didn't have any more work and would have to lay me off. That was the end of my stint as a steam fitter. I decided then that I wasn't going to become a plumber. [laughter]

Between the reopenings of the keno game and my different jobs I always seemed to have plenty of time to party; and although I was still living at home with my folks, I rented an apartment just to have a place to hold parties. We'd get a gallon of 180 proof grain alcohol and mix it in the bath tub with three gallons of distilled water and juniper berries for flavoring, making four gallons of gin. Once we were sitting around playing hearts, and I poured a glass of straight alcohol, set it on the table and said, "The next guy who gets the bitch (the queen of spades) drains that glass."

Sure enough, within a few minutes I got the bitch. One of my friends pointed to the glass and said, "Now drink it!"

"I can't drink that," I protested, "it'll kill me!"

"Well, are you a man of your word?"

So I drank the whole thing, but my head stayed clear. "Hey, that's not bad. In fact, it's pretty good!" I filled the glass again and kept on drinking. The third glass never reached my lips — I just keeled over backwards and passed out. [laughter]

Prohibition ended in 1933, and every little joint that had been bootlegging started selling 3.2 beer. All of a sudden, every place became a cigar store with all kinds of illegal games going on in the back rooms — high-low dice games, twenty-one, punch-card keno, pan and poker games. Gambling stayed undercover in Great Falls, but Butte was wide open. Butte was a copper mining town, and all of the miners wanted to play. They made about five dollars a day, working on commission, with the big shots making up to eight dollars a day, depending upon how much they brought out. You had to know someone to get a mining job, and you had to pay them to get it. There was a lot of corruption in those days, and it was common practice to bribe the mining foreman in order to get a job.

As prohibition ended, Cal Lewis and a man named Amos Wagstaff became partners in the Star Cigar Store, running illegal games in the back. In the meantime Cal retained his piece of the Mint, where he added games of twenty-one. I learned that game at the Mint, and transferred back and forth between there and the Star, dealing two-dollar-limit twenty-one.

(Migrant Mexican beet pickers would come through and gamble at the Star. Many of the Mexicans, who were good gamblers and would play all day, smoked marijuana. They'd roll up that stuff in cigarette papers and smoke and laugh all day long. I tried it once, but it didn't do much for me.)

Eventually, Cal and Amos had a falling out. They worked different shifts and always made sure that they missed each other coming and going. The drawer on my twenty-one game usually held anywhere from \$150 to \$200; and when leaving, Cal and Amos, each operating independently of the other, would come over, open my drawer and take out two twenties — one for themselves and one for me. At first I thought they were just being nice to me. Then I realized that each was trying to shut me up; neither one knew what the other was doing. They had been partners for so long that they thought alike and stole alike. [laughter]

Cal had told me, "Now, I know you're not going to steal my money, kid, but watch the bartenders: those sons of bitches are the same as bank robbers. Remember, always watch my money and keep an eye on the bartenders." But sometimes you have to watch your partner too. I have seen partners try to get the best of one another . . . it just doesn't happen in the same ways it used to, because controls are tighter, and today partners don't have that kind of access to the counting rooms and the money.

Following another closure of the keno game I got a job working in the county assessor's office as an assistant for about four months until I was promoted to deputy county assessor. It was very boring work, just copying figures down on paper, but it paid well. The assessor, Cap Burton, who was planning on retiring, asked me, "Why don't you run for my job as county assessor? You're a member of the Young Democrats. You could do it." I was unsure, partly because I was so young, and partly because the job was so boring. Sitting there with a pencil, copying down "the northeast corner of the southwest . . ." was just not my cup of tea. My dad encouraged me to run, and he also said he could get me a job as a fireman if I would prefer that. But the thought of sitting around a fire station all day waiting for a fire sounded even worse. I put in my application to be a candidate for the county assessor's office.

One of the judges who had received pay-off money from our illegal keno games called me in to see him. He took me into his chambers and started talking about the candidate opposing me. "Warren," he said, "I'll help you run for office, but we've got to knock this guy out of the box." I told him I wouldn't do anything dirty, because the guy was a friend of mine. But the judge was insistent, and I walked out of his office thinking how dirty the business of politics was.

Shortly after that I got a call from a gambler I knew named Francis Lyden. He was working in Reno, and he asked me to come there to open a keno game for him. I went to my dad and said, "I've decided I'm not going to run for the assessor's office. I want to go to Reno and work for Francis Lyden."

"Are you sure that's what you want to do, son?"

"Yes. That's what I want to do."

"Well, better an honest gambler than a crooked politician. I really don't want you to go, but if that's what you want Don't fool around with the wrong kind of women, and don't blow all your money gambling. Just use good judgment."

7

Players and Mobsters

*Cool Francis
Lyden*

FRANCIS LYDEN got his start in the gambling business in Butte, working with his brother Joe for their stepfather, Pete Notten, who owned a little joint called the Crown Bar. Francis and Joe were at the Crown when I was working at the Mint Cigar Store, and we became acquainted when I went up there to observe the keno game they were running. Both of the brothers were very bright and meticulous; there was no slam-bang with them. Everything had to be absolutely perfect — a certain way to push the roulette checks, a certain way to hold the keno brush, and a certain way to hold the deck. Everything had to be exactly right.

Francis was the personification of "cool." He had pale blue eyes, spoke in a real low voice, and was a true gambler. He and Jimmy Shea were the first men I knew who were really conscious of clothing and image, and he came to Great Falls often just to party and show off. In those days, everyone wore hats, and Francis and Jimmy wore theirs in a certain fashion and knotted their ties just so, always looking in the mirrors behind the bars to straighten out their ties and tip their hats. I caught myself doing the same thing, but it seemed a bit affected, so I quit doing it.

In those days clothiers traveled from town to town to exhibit and sell their goods. One day when I was dealing keno in Great Falls, a guy came up to me and said, "I'm Charles Hamilton, Francis Lyden's shirtmaker. He suggested I call on you." It meant a great deal to me to know that Francis Lyden would recommend me to a shirtmaker. I bought a couple of white shirts for ten dollars apiece, and three gabardine shirts with three-button sleeves for fifteen dollars apiece.

There was always an air of mystery and excitement surrounding Francis, but he wasn't quite as sophisticated with the girls as he was in his appearance. We were doing a lot of partying in Great Falls, and he asked me to set up a party and invite the girls, which was really a big deal for me. I arranged everything, and we all arrived at his hotel room to have some champagne. (It was not an orgy or anything like that, just an ordinary party.)

Francis wore a six-carat diamond ring, and one of the girls spotted it and said, "Oh, that's the prettiest diamond I ever saw! Can I try it on?" He handed her the ring. The party continued until about five in the morning, and when the girls were ready to go home, Francis came to me and said, "Warren, I didn't get my ring back."

"Well, just go on over and ask for it."

"I don't know how."

So I went over, took the girl by the arm, brought her to Francis, reached down and pulled the ring off her finger, and handed it to him. He knew a lot about gambling, but not much about girls or the ordinary things in life.

Francis was a high rolling gambler who liked to bet horses and would bet almost anything. One day some people showed up just to take him off, because they'd heard he'd recently won twenty-five thousand dollars playing poker — suddenly, these people just came in and set up a book . . . which wasn't unusual in those days, with all the joints opening and closing at irregular intervals, and games moving around. First these take-off artists set him up, playing straight with him for a few days. Then they told him they had a fixed race that a particular horse was a cinch to win. Francis put up his twenty-five thousand; the horse lost the race; and the people disappeared with Francis's money.

Francis knew he'd been had, but he got a friend of his named Pinky Dugan and said, "Come on, Pinky; let's go to the movies." They went to see a cowboy movie and sat through two showings. Francis never said a word, never showed any sign of being perturbed. That's cool.

Curly Darrow, from Butte, was another guy who got taken off on a phony scam. (Curly was married to a woman named Edna, who ran a house with about half a dozen girls.) Even though he knew the

games, he didn't have much education and he was a real sucker; anyone could take him off. A guy from Spokane came through and showed Curly a machine with a slot into which he'd slip a new dollar bill. When he turned the crank on the side, the dollar bill would disappear into the box, and out the other end would come a twenty. [laughter] Curly paid thousands for that box, and got taken off just like Francis Lyden on the phony horse race.

Helena Mike I was really a player, and I'd gamble on just about anything. I wasn't a high-stakes gambler, but I was bold, liked to bet real fast, and never got to the point of being a bad loser. I guess I was just destined to learn the gambling business the easy way.

In 1930-31, I played a lot of poker when our keno game was closed. A guy named "Helena Mike," an old-timer, used to come into the Mint to deal cards. He could do anything with a deck, and my dad would tell me to stay away from him or I would lose all my money; but I was young and lucky, and thought no one could beat me, so I played with Helena Mike and just kept on making money.

My dad decided he was going to make me stop playing poker by setting up a game with Helena Mike to take me off. I knew they were slipping in cards on me, but I wound up with three kings, beating everyone. My dad said, "OK, do whatever you want. You can take care of yourself."

After that game, Mike asked me if I wanted to go up to Shelby with him. "We can make some money up there," he said. "I like the way you operate, and together we can beat those guys up there."

So we went up to Shelby, Montana, which was near the Canadian border. Some of the guys we were going to play were bank robbers from Canada. With guns and fast cars, they'd rob a few banks up there and speed down into Montana with nothing on the border to stop them.

There was a little beer hall in Shelby with a poker game in the back room. Three or four people along with Helena Mike would already be playing, and I'd come in and take the empty seat. Mike would have marked up the cards, and whenever the pot got big he'd set me up a hand, raising his eyebrows to let me know that I should bet up. We were very careful, not too aggressive, and only did it a

couple of times, enough to make about two hundred dollars between us.

I always wondered what would have happened if those bank robbers had found out that we were taking them off, and I have never done anything like that since. Although I personally wasn't cheating, I was a recipient of money; so I guess I was guilty to a certain degree.

Mob keno? My first brush with the mob occurred when I was working at the Mint. A guy named Guttenburg was on the run, on the lam for something he'd done in Chicago, and he was hiding out in Great Falls. He seemed real interested in our keno game, which was going strong at the time, and he started questioning me, "What do you think about Chicago?"

"Well, I've never been there."

"A guy named Billy Johnson has a couple of joints there," Guttenburg told me. "This keno is a great thing, and Billy would love to have it in Chicago. You could make a lot of money. Why don't you talk to him?"

Billy Johnson was associated with Al Capone, and in downtown Chicago they had eight or ten places which had maybe a thousand horse players a day, and ran bingo games in the afternoon. After seven or eight at night, all kinds of gambling would be going full blast. I talked to Billy Johnson on the phone and told him about the keno game that I was running in Montana. Billy said, "Gee, it sounds real good. I think I'd like to have it. Could you run it for me?"

"Sure, I could run it for you."

"Well, come to Chicago. I'll put the game in for you, take care of all the expenses, and I'll give you 15 percent of whatever the game wins."

That sounded pretty good to me, so I told him I'd think about it and get back to him. I discussed the matter with a few people. A friend of mine who had worked for Billy Johnson told me, "Warren, don't go back there. If you're a success and it goes real good, instead of ending up with 15 percent you'll end up in a pair of cement shoes at the bottom of Lake Michigan. Billy Johnson doesn't give anything away." That chilled me out pretty good, and I never talked to Billy Johnson again. Later on when I worked at the Mapes a lot of mob

guys were real good players, and we wouldn't have thought of keeping them out of the games.

Part
Two

LEARNING THE
CRAFT, BUILDING
A CAREER

8

First Time At The Palace

IN THE EARLY SUMMER of 1936 I went to Reno to open the keno game for Francis Lyden. When I got there I found that I was actually working for John Petricciani, the owner of the Palace Club. For the next five years, except for a brief stint at the Crown Bar in Butte, I worked at the Palace, learning the games, working my way up, and eventually becoming the youngest pit boss in Reno.

The boss and his daughter

The Palace had rooms over its casino, and a nice looking girl was running the front desk of the hotel when I checked in. She was very attractive, and I was interested in her; and we talked for a while and I asked her out. I later learned that she was Petricciani's daughter, Clorinda, and that she was married! This shook me up, because I wanted to date her, but I had become so indoctrinated with Catholicism during my school days . . .

Clorinda soon got a divorce and showed me the papers, and we began seeing a lot of each other. On the spur of the moment, twenty-one days after we met, we got married. I had to overcome a lot of apprehension to do this, since marrying a divorced woman was against Catholic doctrine. My devotion to Catholicism waned a little bit after that.

As things developed, Clorinda and I couldn't get along as husband and wife, and the union ended unhappily several years later. But while it lasted our marriage helped my career. Old John Petricciani gave me some opportunities that I wouldn't have had if I hadn't been married to his daughter.

John Petricciani, Slot-Machine Johnny, was born in 1888 in Tuscany, a northern region of Italy. As a young man he emigrated to northern California, where he found work as a

waiter and busboy. Later he moved to Nevada. There he and Bert Baroni (whose mother owned a ranch on the Carson River) formed a partnership and started a slot route, which they eventually extended into the Bank Club, owned by William Graham and James McKay.

Petricciani bought the Palace Club building at the corner of Center Street and Commercial Row as an investment. When he decided to put in gaming, he became a competitor to the Bank Club, which then dropped out of his slot route and bought their own machines, bringing in Louis Iacometti to operate them. As the major joints in town, the Bank Club and the Palace were bitter enemies, at loggerheads all the time. Keno would put the Palace one up on the Bank Club.

*First keno
in Reno*

I was twenty-three years old, and my keno game was the first in town. To help me set it up I brought my Montana boys with me: Johnny Morris, Clyde Bittner, Jimmy Brady, and Dick Trinastich, a fat, good-hearted guy who was always teased a lot. All of them were top-notch, experienced dealers, who took pride in what they were doing and were able to keep up with the action. You just aren't able to get that caliber of people any more.

The first thing our team did was get keno tickets printed. I knew exactly what I wanted, and I gave the order to Harry Frost at Reno Print. We became great friends. (Harry continued to print our tickets for many years until we required a bigger company to do the work.)

Next we went to Chinatown in San Francisco to pick up equipment for the game. I bought a couple of punches, four or five hundred brushes, and a quantity of red ink. (After a bettor chose the numbers he wanted to play, his keno ticket was marked with a calligraphic brush dipped in a special ink. The secret formula consisted of Mother Stewart's blueing and a kind of Chinese red ink. Mixed together, they created a transparent black — transparent enough for the numbers printed on the ticket to show through the marks.)

While we were assembling equipment to get our keno started, we were informed by state authorities that we couldn't open a "Chinese lottery." Vinnie Merialdo worked for Petricciani, and his brother Pete was politically connected. When Pete got us in to see Governor Kirman, we explained that we would be running a "racehorse keno"

game, not a Chinese lottery. In reality, the only difference between the two was that in racehorse keno the numbers had corresponding horses' names, and as the balls were drawn these names were called out instead of the numbers. We just altered our terminology a little in order to open up. [laughter]

When we started the game, we introduced an innovation: the numbered balls were drawn out of a wooden, goosenecked container, shaped like a gourd and about a foot tall. We played the eighty balls straight from the goose rather than first distributing them evenly into four pans as we had earlier done in Montana. Old-time gamblers told me that by doing this I was losing my percentage — they were sure that by failing to reduce the draw to twenty numbers (by limiting it to only one of four pans), we were giving the customer a better chance of winning. Common sense told me they were wrong. No matter how the numbers are drawn, regardless of where they are placed, the same odds are operating.

The gooseneck was constructed so that it could be spun around to agitate the balls, make sure the draw was random. You drew the balls through a spring-loaded door. They were the size of big peas, each with a number painted on it; and after calling the numbers you'd set the balls in a rack. This system didn't last long. The little balls were difficult for the customers to see, and it would have been easy for someone to make a switch at the draw.

In Los Angeles bingo games I had seen numbered ping-pong balls being drawn out of cage-like containers, and for both security and showmanship reasons we decided to switch from the peas and gourd to ping-pong balls in a spinning cage. I had a guy from L.A. make me a cage, and it really souped up the game. People loved it, but at first we had a problem with the ping-pong balls because they would get dirty after two or three drawings. We eventually found a way to shellac the balls, so the numbers, painted on by an artist, wouldn't wear off. Later a crap dealer we had fired started making the balls for us.

I got to Reno on May 29, and we opened the keno game on June twentieth. The first few days, we were writing ten-cent tickets, taking in two or three hundred a day, working off a small bankroll. By the time wages were paid, the win was only about fifty or sixty dollars a day. It didn't look good.

On the third or fourth day, an old Chinaman who ran errands for the Green Lantern prostitutes came in to play. (He took care of all the girls' needs, and brought fresh towels to them whenever they wanted them. They called him the "towel man.") He played a fifty-cent eight spot and won eight hundred dollars. When I looked at that ticket, I almost fainted. "God almighty," I thought, "how am I going to tell John Petricciani, a man I barely know, that we just got hit for eight hundred dollars?"

I went in and told John that we'd just gotten hit for a big ticket. "OK, my boy," he said, "how much was it?" I told him, and he calmly took a stack of money from the safe and counted out eight hundred in hundred-dollar bills.

All of a sudden, I had an idea. "Can you give me that eight hundred in ten-dollar bills?"

"Why do you want tens?"

"Because it looks like more money."

I got the eight hundred in ten-dollar bills, crumpled them up to make them look even bulkier, went out to the keno counter in front of all the customers, and began to count out the Chinaman's money for him, one bill at a time: "Ten, twenty, thirty, forty . . ." into eight piles of bills. I believe that incident, as much as anything else, really pumped our game up.

Making a show of the pay-off is still part of the fabric of our business. We make a show of paying out money, whether it's in keno or the slots, and we use all kinds of marketing devices — p.a. announcements, photos of winners and their winnings, newspaper articles, et cetera. But back then, all we had were our voices and our ingenuity.

Our keno business began to boom. Instead of writing ten-cent tickets as we had in the beginning, a thirty-five cent nine spot became the prevailing ticket, although you would get some fifty-cent and some dollar tickets. Soon we were writing fifteen hundred to two thousand dollars a day, and by the end of the summer we were writing five thousand a day.

Just as we had done in Butte, we began to speed the game up until we were dealing several games an hour. There was a Chinese place down on Lake Street that had been taking in two or three hundred a day running a traditional, twice-a-day game, and we pretty



John Petricciani owned the Palace Club.
"He always encouraged me to learn, and never questioned my judgment."



The Palace Club, Labor Day, 1937.

The Bank Club is immediately next door, and the Golden Hotel looms in the background.
"As the major joints in town, the Bank Club and the Palace were bitter enemies, at loggerheads all the time."



Inside the Palace Club in the late 1930s.
Silvio Petricciani (l.) and John Blanchard (c.) are working the roulette table.

much took all their business away from them. They ended up closing in about six months.

Soon more dealers were needed to accommodate business, so I started sending up to Butte for people like Red Kiley, Pete Savage, Peck Holly, and Harry Hall, who had been one of the bartenders in the Mint Cigar Store that Cal Lewis didn't trust! [laughter] (Harry worked for me for a long time, and I certainly trusted him. I must have fired him at least fifteen times for being drunk, but I always put him back to work. [laughter] Harry later came with me when we opened the Cal-Neva, and he ended up working for me for thirty years.)

We continued the keno game for about a year without any competition. Harolds Club¹ put in keno, but they weren't very proficient, getting hit with a lot of phony tickets because they didn't understand how to check them. Then some other boys came down from Butte and opened a keno game in the Bank Club. Our limit for a payout had been two thousand a game, but when the Bank Club opened their keno, we raised our limit to five thousand. That was tops in Reno until Pick Hobson opened the Frontier and set its limit at twenty-five thousand. Everyone thought that such a big payout was the end of the world — that it would encourage crooks to cheat and rob our business. However, big payouts just ended up enticing more people to play.

Keno really built up the Palace Club, and we got better at running the game, drawing bigger crowds of people. The men I brought in from Montana knew the math, and we were proud of how fast we could write tickets and check them. It was really a going thing.

After running the keno game for a while, I had a falling out with Francis Lyden, who felt that my marriage to Petricciani's daughter was a threat to his status. I was going to leave, but Vinnie Merialdo prevailed upon me to go to work in the pit. He put me on the chuck-a-luck game, and I started learning even more from him about dealing twenty-one. Merialdo was an excellent teacher, and I was promoted quickly up to pit boss.

¹ Raymond I. "Pappy" Smith opened a casino in Reno in 1935. Although named after his son, Harold, who managed the place, the club has never used the possessive apostrophe in the spelling of its name. Hence, "Harolds" instead of "Harold's." This convention is followed among Nevada casinos in general.

In 1938 Petricciani sent me up to Lake Tahoe to open a keno game in the old Nevada Club. They hadn't tried keno up there before, and it didn't prove to be very successful. But at least I learned something about the way things operated at the lake. Almost every place up there at that time was a flat joint, a place that cheated the customer. One joint, the Country Club Casino, had great food, but business at the lake in general was very sporadic, nothing like it is today.

I quit . . . twice I owed a lot to John Petricciani, because he always encouraged me to learn and never questioned my judgment. But in 1939 I got mad at him when he fired a friend of mine because the guy had a crippled hand and couldn't deal twenty-one anymore. (We didn't know about the condition then, but he had probably contracted carpal tunnel syndrome from dealing cards.) I was also arguing with my wife at the time, and I wanted to get away, so with twenty dollars in my pocket I caught the next train to Great Falls.

I went over to Butte to see my old friend, Jimmy Shea, who had helped to break me into keno, and told him I needed a job. He took me to a joint called the Arcade to see Curly Darrow — an imperious old bastard, and the same guy who'd paid twenty thousand for the phony money box that supposedly changed dollar bills into twenties. Jimmy warned me that it was difficult to talk to him.

I went to the bar and set down my only remaining money, a ten-dollar bill, and bought a drink. Curly came over, shuffling some silver dollars back and forth in his hand. (I later learned that he would pick that silver off the games five or six times a day, pretending to just play with it. The money would always end up in his pocket.) "What do you want?" he said.

"Curly, I'm looking for a job. I deal keno and twenty-one, and I just came up from Reno."

"Reno, huh?" He turned around and walked away. [laughter] I had just spent a buck and a half of my last ten-dollar bill on nothing, and I was not very happy.

Later, when I was back working at the Palace, Curly came in to ask for a job and acted as if he didn't remember me. "You old son of a bitch," I thought. The tables had turned. I told him very emphatically that he couldn't work for me, so he went over to the Bank Club

to ask Jack Sullivan for a job. In those days everyone knew everything that went on, and Sullivan wasn't going to put him to work if I'd turned him down. He came back and demanded to know why I had knocked him. "I didn't knock you," I said, "I just told you you couldn't work for me . . . and you can't." He left town, and I never saw him again.

When Curly Darrow wouldn't put me to work in Butte, I went over to see Joe Lyden at the Crown Bar. He took me on as a relief man for the wheel, craps, twenty-one, and keno. I only had one problem — I didn't know how to deal the wheel. But I was out my last ten dollars, and I had to put my backbone somewhere.

At the Palace Club Wick Williams had taught me how to push checks and spin the ball. I could spin the hell out of the ball, because you can learn that standing on the outside of the game; but I'd never actually stood behind the game and dealt it. Nonetheless, that night I went to work on the roulette game with a Lebanese kid named Pete Seaman.

"Hi, how are you? I asked. "What are you?"

"I'm the check racker," he answered.

"Well, I'm sure going to need one. I guess I'd better cop to it: I don't know how to deal this game. I've never dealt it."

Pete told me, "Well, I was the dealer until they brought in some hotshot from Reno. You got my job. But I'll help you because I'm not a very good dealer either."

"OK," I said, "we'll help each other." [laughter]

He was trying to learn, and I was trying to learn, so we spent a lot of time dealing to each other, and did we learn fast! Luckily, the night manager didn't know any more than we did; but if Joe Lyden had been working the night shift, he would have caught on in a minute that we didn't know what we were doing. We practiced pushing stacks of checks back and forth, finding the best arrangements to push the payouts of anywhere up to fifteen stacks across the table. We figured out the payouts together, and we innovated. For example, if a payout was thirty-five to one, and we got seventeen checks straight-up on a number, what is seventeen times thirty-five? We'd break the problem into two simpler ones:

"Well, Pete, ten times thirty-five is three fifty."

"And seven times thirty-five is two hundred and forty-five, for a total of five hundred and ninety-five." Not only did we become good wheel dealers, but we also became good friends.

Since I was still married to Petricciani's daughter, I made a lot of long-distance phone calls to Reno, and ran up a bill of about two hundred dollars. When Pete found out I was trying to hock the diamond ring I'd received on my twenty-first birthday to pay for the calls, he gave me the two hundred from a wad of five-dollar bills he'd been saving. (Our wages were five dollars a day, and he put aside a five every other day.) That started a great friendship that still remains steadfast.

Pete and I would get off work at about two in the morning. In Butte there was absolutely nothing to do that time of night, so we'd jog up the hill to the School of Mines, and walk back. Then in the morning we'd get up at about eleven and go down to the YMCA to shoot baskets and play handball. Pete had been a fighter, and he was teaching a couple of kids how to box, so I'd box around with them just for fun. We had a great time and got into great shape, which came in handy for some of the things that happened in the wild place we were dealing — the Crown Bar.

Joe Lyden had a certain peculiarity: if he invited you to have a cup of coffee with him, it meant you were going to be fired. A cup of coffee was the kiss of death. [laughter] One day Joe asked me to have coffee with him. He didn't fire me, but he told me business was slow and he'd have to cut me down to three days a week. I couldn't survive on three days a week, so I quit with no other prospects.

Fortunately, old man Petricciani called from Reno saying he'd just fired Francis Lyden and a couple of other guys, and he needed me to go to work. The same day I was fired, I got a job as a pit boss in Reno, so I headed back.

*Back to
the Palace*

Warren Atcheson, a slim, hawk-faced old-timer who wore a celluloid collar with a little string tie, was the absolute arbiter of everything in the gambling business. A kind of walking *Hoyle's*, he knew all the rules and all the percentages and the proper way to deal. If a dispute came up on any point, everyone would just say, "Go ask Warren."

When I returned to Reno I was hungry to learn my craft, and I made that my primary goal. Although I had quite a bit of experience with keno, poker, twenty-one, and roulette, I had never dealt faro bank or craps. I decided to learn everything that I could from Mr. Atcheson. It wasn't easy for young guys to gain the acceptance of the old-timers, but I was just as polite and respectful towards him as I could be, always saying, "Yes, sir, Mr. Atcheson; no, sir, Mr. Atcheson." Finally, he said to me one day, "Your name is Warren; why don't you just call me Warren, too?" He had accepted me. I treated all the old-timers with respect, and in return they shared their knowledge of the business with me.

Vinnie Merialdo had taught me chuck-a-luck and twenty-one, and I went on to learn about hazard, craps, and faro bank from Billy Panelli. Billy was a little bit older than me. He had been a fighter at one time, but now he was working as a pit boss, a faro bank expert. He was very bright, but he had a bad habit of gambling all the time.

Billy was an absolute perfectionist: it was impossible not to learn from him. If there was a big roulette game, he'd have me deal to get experience while he racked the checks. He'd hone my skills and techniques, correcting my movements, and he did the same thing for me with the crap game. Billy would sit and look at the roulette game, and try to figure out the best way to clean the layout according to how the chips were placed. The right way was always the smoothest way, taking the least amount of effort and the least amount of time.

Billy Panelli is the one who really got me interested in the faro bank game, and I tried to learn everything from the old men who were dealing it. Faro bank was the toughest game in the business to learn because it took the most concentration.

*Always full,
even on
graveyard*

The Palace Club was open twenty-four hours a day, and the faro bank game was always full, even on graveyard. There was a lot more business on graveyard back then than there is now. In the old days Reno was a graveyard town.

The Palace was quite a business for its time. In about seven thousand square feet we had one hundred and fifty slot machines, a keno game with eight stations, six twenty-one games, one crap and one roulette game, and two faro bank games. All the slot machines were very tight, but the nickel machines got a lot of play. There were

no money-counting devices of any kind, and we had to count all those nickels by hand. [laughter] The quarter, half, and dollar machines got very little play.

It seemed that we always had plenty of money to operate in the summertime, but around November every year old man Petricciani would have to go to the bank and borrow fifty thousand to get us through the winter. The nut was probably damn near that amount. By the first month of the summer he'd have the loan paid off, and he'd start putting some money away for himself.

We had a restaurant that just broke even, with a lunch counter and maybe ten booths. It was a very cozy set-up, and everyone knew all the waitresses. But there were no cocktail waitresses at that time, and no women dealers; and there was only one woman player, an old gal named Sagebrush Annie. Other than that, the only women you'd see would be the working girls from the line, three blocks down the street, who would come in to play after they got off work around two o'clock in the morning.

We were located right across from the train station, a good spot at that time, and passengers who came through would come over and play. We also had a lot of local professional people, doctors and lawyers, who were regulars; they made good money and they played good money! [laughter] John Petricciani was a distant, quiet sort of person, but he was always well dressed, and he made a great host, standing at the bar to greet people as they entered.

9

Characters, Hustlers, and Scam Artists

THERE WERE SOME interesting characters in Reno in the late 1930s, and many of them had colorful nicknames. A tall, slim hustler, nicknamed Diamond Spike for the diamond stickpin that he always wore, wrote some doggerel called "The Gathering," about all the whores, pimps, and hustlers who had come to Reno — people with nicknames like Jimmy the Goat, Goathead John, Ragged-Ass Johnny, The Oregon Kid, The Dago Kid, and Big-Nosed Joe.

Big-Nosed Joe, a faro bank dealer, was a real roughneck, and all kinds of stories went around about his opium use and goofy behavior. We had an expression:

"And Big-Nosed Joe from down below,
if he ain't there, the game don't go!"

*Gold-Tooth
Camel*

Here's a story that illustrates the extremes we went to in nicknaming characters who hung around town in those days: Some guy came off the street into a boarding house and asked the landlady, "Do you have a fellow staying here named Gold-Tooth Camel?"

The landlady said, "No, he's not here. I don't know him."

"Well, I heard he was staying here."

"He ain't here!"

"Are you sure?"

"Look — I've got Cheese-Assed Sam, Popcorn Jimmy, and Alabam; but I don't have no Gold-Tooth Camel!" [laughter]

*Dope and
sex*

There was a lot of dope in Reno in those days, and on Saturday nights quite a few guys would go some place to "lie on the hip and smoke the pipe." [opium] There was no cocaine, but many people used

heroin. Heroin users have a problem moving their bowels, and an addict who succeeded might come in with his face up in a smile and say, "Boy, I dropped a birdie today!" [laughter]

Several large whorehouses were in operation. Just east of downtown, there were a number of cribs in the "bull pen," with a station in the middle where a big guy sat to keep order if anyone got out of line. They were always busier at night, but they were open twenty-four hours a day.

Further east, on the river near Sparks, was the Green Lantern, a high-class bawdy house that offered drinking, dining, and dancing, as well as prostitutes. The girls who worked at the Green Lantern were pretty quiet . . . just trying to make a living. They lived on the premises, and they were only allowed to come into town from midnight to ten o'clock — if they needed to do any shopping, they had to be finished by ten in the morning.

A lot of people came to Reno to get divorced, and many of the young guys in town were looking for a divorcee to mess around with.¹ The places that catered to divorcees were the Riverside and the Country Club, a place out of town a ways that hosted some of the big name orchestras: Ted Fiorito and Guy Lombardo and others.

Once I was out at the Country Club with a guy I used to work with named Harry Montague — Harry the Horse. [laughter] Harry was very funny in a snotty, sarcastic kind of way. He saw a young kid, a basketball player from the University of Nevada, dancing with some pretty young girl, and he asked in a snide manner, "Hey kid, have you shot any baskets lately?" [laughter] That started a fight that became a real donnybrook. Harry could have started a fight in a church.

Heroin cool Although Francis Lyden didn't have a nickname, he certainly was a character . . . and he was also a heroin addict. Once at the Palace Club, Francis

¹ In 1931 Nevada reduced its legal residence requirement for a divorce to six weeks, by far the lowest in the nation. This led numbers of well-to-do women who were leaving their husbands to take up residence in Reno for six weeks at a time. A divorce industry, including special "divorce ranches," sprang up to accommodate the business.

called me over to a game he was in and said, "Hey, kid, make a bet for me." He gave me six thousand dollars and told me to bet it across the board on a particular horse. I got the money down, with the odds being about nine to one.

I was really jumpy and nervous about the bet, but Francis just calmly went on playing poker. He never asked me how the horse ran. (It had come in third.) Hours later, after the game broke up, Francis came into the back room to get something to eat, but even then he didn't glance at the board to see how he'd done — it wasn't until he was finally ready to leave that he looked up. That's cool.

Although I worked hard to appear just as cool and calm as Francis, on the inside I never really felt that way. But Francis probably never felt as cool as he appeared, either. He was on heroin . . . perhaps to calm his nerves. As time passed he became more and more involved with the drug, but he continued to work every day as a faro bank dealer — a beautiful dealer. Finally he went down to San Francisco to open a faro bank game, and he died there in 1941 of a heroin overdose. Francis Lyden had a lot to do with my thinking about gambling . . . ultimately more negative than positive.

Titanic scams The top gamblers in the world would play in some of the highest rolling poker games in the world with Francis Lyden in the back room of the Palace Club. People came from all over, mostly to play lowball. The stakes were very high, and it wasn't unusual for someone to win or lose thirty or forty thousand dollars at a time. After I had moved up to pit boss, I would go in every hour and take the money off the game. (It cost five dollars an hour to play, so with six players we got thirty dollars an hour.) As I'd go in to collect the money, I would be very quiet and not say a word. The players ran the game and could do whatever they wanted, but they were too smart to let anyone cheat; so it was a good, square game with a lot of money changing hands.

Some of the greatest gamblers of all time were playing then: the Dago Kid, the Oregon Apple, old man Felix Turrillas, Doc Howard, and Titanic Thompson, who always got the best of everyone. Titanic bet someone a hundred dollars that he could throw a pumpkin over the Overland Hotel, which was a two-story building. He got a pumpkin the size of a baseball, and just pitched it right over.

[laughter] Titanic was a good athlete, and he bet another guy that he could hit a golf ball five hundred yards. The guy accepted the bet, but Titanic insisted on picking the place. He took the guy out to Washoe Lake, which was frozen over, with no snow on the ice. With his back to the wind, Titanic drove the ball out over the ice, and it just kept on going. It might still be going. [laughter]

All of these gamblers would hustle suckers. Even though they played most amongst themselves, if an apple just happened to drop in, they'd take him. They were unbelievably smart gamblers, and I think that if they were around now they'd eat today's players alive.

When the guys got tired of playing poker, they'd go for a mile walk down the railroad tracks past the depot. They were walking down the tracks one day when one of them pointed up and said, "Just look! What the hell? Somebody put a card up there!" An ace of hearts was tacked about twenty feet up a telephone pole.

They had finished their walk and resumed the game at the Palace when Titanic said, "That had to be some crazy son-of-a-bitch to nail that ace of spades up there."

One of the guys said, "No, no, Titanic. That wasn't the ace of spades; it was the ace of hearts."

"I'll bet you a hundred dollars that it was the ace of spades," said Titanic, and the bet was on. (One hundred dollars was the standard bet in those days.) So they all walked back down the tracks . . . and there on the pole was the ace of spades. [laughter] Titanic had set the whole thing up, and paid someone to climb the pole and switch the cards.

Eventually, someone did get the best of Titanic. He was killed by Nigger Nate in a poker game in New York City.

A strange group

There was a lot of cheating going on, and all of the games were vulnerable, particularly the faro bank game. The president of Paramount Pictures was a neat little Jewish guy who wore a patch over his eye and played faro bank twice a year for two weeks a pop. He always brought along his brother, who would watch the play from five paces behind the game; and since it was pretty high-rolling play, he attracted a crowd, which he really didn't like.

In order to accommodate him, Billy Panelli and I set up a game in a hotel room above the Palace Club, and the two of us dealt to him up there. He was easy to deal to because when he got tired, he'd just stop and talk about all the gambling he'd done in his life: "You know, faro is the greatest gambling game in the world. I just love to play it. I lost a million dollars playing this game on the square, but I got cheated out of another million on top of it."

The dealers always figured out a way to cheat the faro bank. One way was to make a tiny hole in the box through which you could see if the card coming out was a big one or a little one; and the box could be fixed to deal the second card if the first one looked undesirable. When a box was rigged that way, it was called a deuce box.

The old-timers in the faro bank games thought they were the elite in the gambling business, and they would hardly speak to a wheel dealer or a twenty-one dealer. And the faro bank players were also a strange group of guys who stuck to themselves unless they were out gambling. A wild-eyed faro bank player named Eddie White was the most temperamental player I ever saw. When he'd start to lose, he'd just throw down his money and walk out.

Boo Harrigan, a mean little guy who was married to a real nice girl named Flossie, was always in action on the faro bank game, playing one or two thousand at a time. He never had a job. Lived off his wife's tips, working her all the time. One time he stood there putting on his gloves, one finger at a time, and said, "God, this has sure been a tough winter. Things are real bad, and Flossie's only worked two shifts this week." [laughter]

*"Something
you can do
for me . . ."*

When I first got to town, Graham and McKay controlled Reno. They had the Bank Club, ran the whore houses A lot of wild, real bad guys — bank robbers and murderers, like the Barker brothers — would come to town under their protection. When Graham and McKay went to prison for some of their notorious dealings,² Jack Sullivan operated the Bank Club for

² In 1939, William Graham and James McKay were convicted of mail fraud in connection with a horse racing swindle, fined \$11,000 each, and sentenced to do time in a federal penitentiary. Nevada's Senator Patrick McCarran secured a presidential pardon for them in 1950, and they returned to Reno.

them in their absence. Sullivan's real name was Jack Scarlett — he was Jewish, and when he came to Reno he changed his name. With all of the cheating going on there were a lot of fights, and Jack was the heavy, the iron hand that broke them up. He was an ex-bouncer, ex-prizefighter . . . a big, imposing old man who had the reputation of being very tough, and he always carried a cane.

Since the Bank Club and the Palace Club were the two dominating clubs, Sullivan and John Petricciani, who owned the Palace, agreed to keep wages at the same low scale in both clubs during the winter of 1939. Suddenly, Sullivan just left town to go on vacation, failing to keep his side of the bargain. It created a big hassle. The next time I saw Sullivan in the Palace, I walked up to him and asked politely, "Good afternoon, Mr. Sullivan, what can I do for you?"

He whacked his cane on the floor, looked down his nose and said, "What could you *possibly* do for me?"

"Well, sir, there's something you can do for me: you can go fuck yourself!" [laughter] He turned and walked away, but I think that encounter formed the basis for a mutual respect.

Mouse roulette

When Pappy Smith opened Harolds Club, it became the third major joint in Reno. Pappy's son Harold was the gambler, and he had his wife and a few other women working for him. At first Harolds was the laughing stock of the town, because they had roulette wheels run by mice,³ with no twenty-one or keno. Pappy had a big counter there — maybe twenty players could play at once. This was a big thing for a while, and it was the only real carnival gimmick in town.

Harold would come into the Palace every night and gamble. Sometimes he won, but mostly he lost . . . and always he demanded credit. [laughter] Nobody would give it to him, and when credit was refused he'd return to Harolds Club and come back with the nickels, dimes and quarters from the club's slot drop. If he lost that, he'd get

³ Pappy Smith installed a form of roulette using a flat table with numbered holes cut into it instead of the traditional wheel, and a live mouse instead of a ball. The mouse would be released from a cage atop the table, and would scurry about before diving into one of the numbered holes. Winners were paid at the same odds as roulette. Initially, the game created quite a sensation, but interest soon subsided.

money from old man Smith to open the next day. All the time I knew Harold, he never called me by my name, and the only time he ever spoke to me was to give me an order.

Unethical Harolds Club had a big player named Fleischman, a real wealthy man from the East who owned a ranch where old Manogue High School was. The Bank Club had given him a marker for fifty thousand, which was a big lick back then, but Fleischman was mad at them. He felt for some reason that their play was not on the square, so he was determined not to pay them back. He began coming to the Palace Club, buying into the faro bank game five thousand at a time, and never asking for credit.

One time Fleischman came to play on my day off. He got lucky and was up about fifteen thousand when old man Sullivan came in and tapped him on the shoulder with his cane. Sullivan whispered in his ear and Fleischman got up, went to the cashier's cage, changed ten thousand in chips and handed Sullivan the money.

In my mind that is one of the most unethical things you can do in a gambling house — hustle a player who owes you money while he's gambling in another joint. When I found out, I got really hot! I told my people that the next time Fleischman came in, they were to call me if he was getting out with some money.

Four or five days later, he began to play and started to get lucky again. I was called, and just stood in the background. Sure enough, here came Sullivan. He walked up to the bar and hooked his cane over the lip of the counter and sat down. He didn't order a drink . . . just sat there eyeballing the faro bank action.

I walked over to him and said, "Jack, what would happen if I came into your club and hustled a player who owed me money? Two big bouncers would grab my ass and throw me out the door."

He grabbed his cane, whacked it on the floor, looked me in the eye and said, "Kid, you're right." Then he walked out.

On the square The three bigger places, the Bank Club, the Palace Club, and Harolds Club, operated on the square; however, most of the smaller places were cheating their customers. People in the business referred to them as clip joints, but what they did was rarely discussed openly. There was a code of silence amongst gamblers. And usually customers were cheated by the house only when they were winning.

Eventually, cheating the customers subsided. I believe I had something to do with it, because I discouraged or stopped it whenever I could. Today, cheating by the house has totally vanished, and in fact there's damn few people left who even know how to cheat anyone. [laughter]

Spit on the wheel

Back before the war Butte enjoyed the same kind of wild atmosphere that pervaded Reno. In 1939, during the short time that I worked at the Crown Bar, a guy got smoked three or four times in a pan game, went back to his room, got his .45, came back and shot the cards right off the table! [laughter]

An old Greek who owned a little restaurant up the street would come in to play the wheel. When the wheel was spinning slowly, he was good at anticipating what number the ball was going to land on. He would bring in another Greek with him, and they'd talk to each other in Greek and gesture and try to distract the dealer, while one of them would come down late on the winning number.

When I was dealing the wheel I'd keep it rolling real good, and keep my eye on the Greek so he wouldn't be able to pass post. One night when I was on the wheel I beat him out of about three hundred, and I was just tickled to death. He stood up from the game, glared at me, and spit right into the wheel. I lunged over, grabbed him, dragged him to the front door, and threw his tall, skinny body straight out like a javelin. The boss told me, "He'll be back; he's a player."

He came back, all right. Later that night I was a relief man on the keno game. The area where I sat was enclosed with something like chicken wire, like a cashier's cage with a small opening through which to bet your tickets. (In those days, they felt that a cage was protection against anyone slipping in phony tickets.) So I was sitting there writing tickets when I heard some scuffling and heavy breathing: it was the Greek, with his long nose and big teeth right in front of the wire. He had a pistol in one hand and a long knife in the other, and in broken English he said, "Kid, don' you evah toucha my body again!"

I said, "Fine. Don't you ever spit on my wheel again." From then on we were friends. [laughter]

Semper Fi

ABOUT THE END OF November, 1941, I came down with acute appendicitis, and my appendix had to be removed. On December 7, even though the stitches were still in, I went duck hunting with friends at the Greenhead Club near Fallon. Riding back, we turned on the radio and learned that the Japanese had bombed Pearl Harbor. You can imagine how a bunch of young guys like us felt. I was mad! I never saw a Jap I couldn't lick, so I didn't think it would be much of a job.

The next day I went down to the Marine Corps recruiting station. Ed Montgomery, the recruiting officer, told me that I'd have to recover fully from my operation before I could join. As soon as the stitches came out I went back, and I was told that due to my operation it would be a year before I could enlist. So I stayed in Reno and saved every penny I was making so that I could join with some peace of mind.

My marriage was not going well, and when I told my wife I was going to join the Marine Corps, she said, "If you go in the Marine Corps, we're through!"

My father-in-law didn't want me to go in the service, either. "Warren," he said, "I need you here. I need you to run this place for me."

"I'm sorry, John, but I can't do it. I've already made up my mind."

About a week later John asked me to meet with him and John Sinai, his lawyer, in Sinai's office. When I got there, Sinai said, "Warren, Johnny will sign 20 percent of the Palace Club over to you if you agree not go into the Marine Corps."

"Well, gentlemen," I said, "you can tear up those papers. I'm going."

My dad was in the Marine Corps, and I would never have been anything else. In November, 1942, I finally joined. I will always be a Marine.

Boot camp was tough. At thirty years of age I was the old man of the troop, with everyone else ten to twelve years younger. After a hard day's training, the young kids would flop down and say, "I'm dying . . . I'm dying." Thirty minutes later they'd be up playing football! Even though I was in pretty good shape, it took me a lot longer to recover from a day's exercises. But after six weeks of doing close order drill and training, we went to rifle camp for two weeks, and that was right up my alley. I loved to shoot, and I was good at it.

Of course, I was good at gambling too. There were some blanket crap games in the barracks, but mostly the soldiers played poker, and playing with them was like stealing money — they just didn't know how to play. [laughter] I was beating them consistently, winning twenty-five to forty dollars a night; but these men were my friends, so I finally quit playing and started watching. I became sort of a pit boss for the guys, who relied on me to spot hustlers and cheaters.

*"I want
your job!"*

When I graduated from boot camp the interviewer who reviewed job classifications asked me what I did in civilian life, and I told him. Then he asked me what I would like to do in the Marine Corps. I said, "The best job I've seen so far in the Marine Corps is your job. I want your job!" [laughter] He explained the situation to the Captain, who asked me what a pit boss did. I told him that a pit boss supervises what goes on in a gambling joint; that he cashes checks for people, makes sure that everything is on the square, and sees that it all runs in an orderly fashion. So I was given a test, which I passed, and I was assigned to personnel classification . . . which I thought was a hell of a thing, just giving tests and interviewing people. [laughter]

We traveled all over doing testing and related things, everywhere from San Diego to Alaska — even to Hawthorne, Nevada, and back to Butte, Montana. But primarily I tested and interviewed Marines as they came out of boot camp. It was evident that I.Q. scores were not always the most valuable factor in judging people — people with I.Q.s of 150 and over are practically impossible to use anywhere. The best people score somewhere between 120 and 130. I was never too



"I will always be a Marine."



Pat Futter would become Mrs. Warren Nelson after the war.
"The people Pat worked with were concerned about my interest in her. They weren't too sure that a gambler from Reno would be good enough for her."

smart, and mine was just 112, barely enough to get the job in personnel classification. [laughter]

One night on Mare Island, an air raid was conducted to simulate a Jap bombing. Sirens began wailing, and I ran out to the gunnery site. The old gunnery sergeant looked at me and said, "Go back to the barracks along with the rest of the pencil pushers." He was right. Most of us who remained stateside were just a bunch of pencil pushers.

*Lefty
recommended
no action*

Whenever I got a pass I would frequent places that had some kind of gambling going on. The biggest joint by far was in Hawthorne. My brother-in-law at the time, Pick Hobson, had a brother named Joe who opened it in about 1940.

Hawthorne had a great mixture of people. About a thousand construction workers, most from Oklahoma and Texas, were building big ammunition depots, and they were all making a lot of money; and the Navy and the Marine Corps had several hundred men stationed there. About a half dozen joints were open, including the El Capitan and the Hawthorne Club, all doing unbelievable business because there was no other entertainment and the men had nowhere else to spend their money.

Everybody was stealing money in Hawthorne; it was like Deadwood was in the early days — a rough, tough place. I went into a place run by a friend of mine (a left-handed twenty-one dealer, appropriately dubbed "Lefty Dougherty"), and I was sitting at the bar having a drink. The joint was packed, and people were reaching over each other to get their money down on the games. Lefty commented, "You just never know what's going to happen in here." About then a fight broke out, and I thought, "Holy Christ! These people are killing each other!" Lefty recommended no action, and the two of us just sat there.

Suddenly a little sailor who had been hit and downed slid across the floor and landed at my feet. He jumped up and tried to punch me in the face, and I hit him hard with a left hook. He just shook his head and jumped back into the fray. [laughter] Brawls like this broke out all the time, but nobody ever tried to stop them because

everyone would soon tire of fighting, and the melee would just sort of die out on its own.

When I returned to duty after one furlough home to Reno, Captain Presley, the officer I had been working with, had gotten orders to go overseas. Since my marriage was falling apart, I decided that I wanted to go too. The captain said that he'd do what he could to get me over there, but several weeks after he left I got a letter from him: "Warren, no way am I going to bring you over. You're helping the war effort more by doing what you're doing. You'd be a loose cannon over here. Just stay where you are."

In the meantime another captain had taken Presley's place. Alfred J. Alpers was a little Jewish fellow, a Yale graduate who had been in government personnel classification. Alpers was just the tops in his profession. He was working on the MOS (Military Occupation Specialty) manual for the Marine Corps, writing job descriptions, and he asked me to write a particular one for him. He was so happy with the job that I did that he asked me to co-author the book, which had my name on it too. We worked well together, and I was very proud of my accomplishment.

Eventually Capt. Alpers left the department, and Lieutenant Harrington replaced him. Harrington was a nice man, but weak, and Alpers told him: "Lieutenant, you don't know what the hell you're doing, so don't make a move without asking Warren first. Otherwise, you won't make it." That really embarrassed me, so I told Harrington the next day that he was the boss and I'd do whatever he wanted. "No, no," he told me, "we'll do just like the captain said."

A pitiful sight I was permanently assigned to San Francisco in about February of 1944. I went there as a private, but I rapidly advanced to tech sergeant. I spent a lot of time with wounded, returning Marines, trying to integrate them back into stateside life. I took an interest in every individual I interviewed, and did my best to help each of them. This was the most gratifying part of my job.

A friend of mine, Danny Basta, was transferred back to the United States after contracting malaria in Tarawa. He was placed in the Oak Knoll Hospital in Oakland, and I would go over to visit him. Many young Marines in the hospital had been sent back missing arms, legs,

or other body parts, but they were recovering, and they decided to have a big party at a place down in San Jose. I was asked to come and bring some booze. When I got there, these kids were already smashed, falling down on what was left of their limbs. It was a pitiful sight, and I couldn't stand it, so Danny and I left. The war really screwed up a lot of people.

She was very attractive

The most important thing that happened to me while I was in San Francisco was that I met Pat Futter, the woman whom I would marry for life.

(Her name is Norma Kathleen, but she's always been known as Pat.) There were only sixteen women who were master technical sergeants in the Marine Corps, and she was one of them, actually outranking me. Pat was practically running all the offices in the Department of the Pacific. She had about thirty or forty girls working for her, and she was so well-liked and did her job so well that her superiors just worked her to death, seven days a week and sometimes nights.

Not only was Pat very competent and well-liked, but she was also very attractive. I was still married when we met, but as soon as I divorced Clorinda, I asked Pat out. The people she worked with were concerned about my interest in her. They weren't too sure that a gambler from Reno would be good enough for her, and there was a lot of controversy about our dating. On our first date in San Francisco there were a lot of people out, and I got in a fight with a sailor who was grabbing all the girls and kissing them. He wasn't about to get my girl! [laughter]

Harrah had a job for me

On furloughs to Reno I would sometimes visit the Blackout Bar, a little joint on Virginia Street with about four or five tiny booths. The Blackout got its name from always being kept at just about midnight darkness. [laughter] During the war they had a guy named Jackson who played piano, and people came in by the droves. So many people were in there all the time that it was almost impossible to move, and everybody was spending money and tipping like crazy. That was when tipping in Reno really began. Before I left to join the Marine Corps, I didn't know what in the hell a toke was, but I think the war made hustlers out of everybody. Everybody just sort of

exploded with money from all the illegal black market trade, and during the war the tips at Harrah's were just incredible.

Bill Harrah had come to Reno in about 1933. He opened some Bingo games, and he became partners with Virgil Smith and Wayne Martin, who had a couple of joints that made some money during the war. But although we were both in Reno all those years, Bill and I didn't become formally acquainted until I was in the Marines. We were introduced while I was on furlough. He knew of my work at the Palace Club, and on one of my many furloughs to Reno he said he would have a job for me after the war if I was interested. I was. We agreed that following my discharge I would go to work for him, and that I would be instrumental in opening up his new joint.

11

Joint Duty

BY THE TIME I had been stationed in San Francisco for a while I knew all the bars and joints in the area that had any kind of gambling. Good dealers were needed in El Cerrito, and I could use the money, so I started dealing at the Twenty-One Club on weekends. The place was so busy that soon I was working full time.

Weekdays, the Twenty-One ran just a single shift that began at about six o'clock, and when my Marine Corps day ended I'd head across the Bay Bridge, still in uniform. At the club I'd change into my civvies. It was all pretty hazardous: Marines were forbidden to be out of uniform or to work a second job. Although most gambling was out in the open at that time, it was basically illegal — there was always the chance of a raid, and I would have been court-martialed if I was caught. But the money was just so good that I had to take the chance, and we all covered for each other — no one in the Marine Corps had any idea that I was working a second job in a gambling joint.

*Dressed for
action*

I would arrive at work, sneak in the back door, and change into a suit I had borrowed from Wick Williams, a friend from my days at the Palace Club. Wick's double-breasted suit just sort of hung on me, and the first night I worked, my pants kept slipping down. I was on the roulette wheel; so I'd roll the ball, clean the layout, make the payouts, and before rolling the ball for the next deal, I'd have to unbutton my jacket and pull up my pants again. After a while, the second dealer on the wheel leaned over to me and whispered, "Kid, are you wearing a sub?"

I was really dumbfounded, and I told him, "Christ, no! No way would I wear a sub!"

"God, I was sure you had on a sub. I wore one for twenty years, and the first time I took it off, it was like going without underwear." [laughter]

*A real
huckledy-buck
joint*

The Twenty-One was really a jumping, going joint. Doormen checked people as they came in, and you had to have a special card or know the doorman before you could enter. Most of the customers were Jewish people who made their money in the flourishing black market business, selling tires or gas or whatever was in demand. They spent money like water . . . the play was tremendous!

A lot of women came with their wealthy husbands, and the club had a dinner house that served black market steaks and the finest whiskeys — items that were very difficult to get during the war. Whatever you wanted, you could get: if you wanted Cutty Sark, they had it. The lure of these otherwise unattainable items just drew people in. The high living . . . people just couldn't help themselves.

Meals were free to all of the invited guests, but the club more than made up for that on the games afterward; the money was really rolling! They also had a piano player and moderately elegant decor, and the tables were set with tablecloths and candles. Most importantly, the waiters really catered to the customers.

The club had two crap games, four twenty-one games, and two wheels . . . but no slot machines. The tables were always jammed. We were dropping a hundred-and-fifty to two hundred thousand a night. It was so crowded that there was an unspoken rule that players couldn't stand with their hips squared up to the table, because we needed more room for the customers. Crap shooters picked up their money and threw the dice with the same hand; and if one of them stood square to the table, the crap dealer would tap him on the shoulder and say, "One arm for crap shooters," and the shooter would turn to the side. [laughter]

The wheels were always full, with all the colors out on the layout with a lot of credit play. And the twenty-one games were six-handed all the time. The money was just unbelievable: you never saw less than a ten-dollar bet. It was a real huckledy-buck joint!

*"God, he
looks awful!"*

I could deal twenty-one and roulette pretty well, but there was no way I could keep up with the guys on the crap game. Harry Weitz, Dick Greenberg, and all of these Jewish kids knew how to treat the customer, and they also knew how to hustle the players for tokes — the guys on the crap game could hustle paint off a wall. [laughter] At two o'clock in the morning we'd close a full crap game and cash everyone out. If someone was cashing out for six hundred and forty, the dealer'd take six hundred in one hand and forty in the other and say, "Six hundred and forty . . . forty for the boys! Thank you very much, sir!" And that money would just flash down into the toke box before anyone could say anything. The dealers always kept the odd change.

There was another club across the street, and the bosses from both establishments would go in to each other's businesses and make complimentary bets. Most of the time I dealt the wheel, because that's what I did best, and every time one of those bosses stopped playing he'd hand me a hundred dollar bill. You had to split the toke money with the other dealers if you worked on the crap game, but if you worked roulette you got to keep your own. So besides making fifteen dollars a day in wages, I was averaging two hundred a night in tokes. I was making more in one night of dealing than I made for a whole month in the Marine Corps. [laughter]

Once I worked fourteen nights straight filling in for someone who was sick, and I lost a lot of weight. The girls in Pat's office would say, "Gee, that Sergeant Nelson must be out drunk every night. God, he looks awful, don't he?" [laughter] And I did, working every night and not sleeping. But I always had a pocket full of money to spend on fine dining, good clothes, and just having a good time. And I bought a car, and was always the main driver for my crowd.

*Everyone
was stealing*

When I went to work at the Twenty-One Club, I had already been a boss for five years and had been in the business for twelve . . . but nothing had prepared me for what I was seeing. It was unbelievable! Everyone was stealing — not only hustling tokes, hustling players, and putting up money for themselves, but out-and-out stealing! There was just so much money rolling that nobody seemed to care. It was just overlooked.

Dealers just flat-assed stole money off the game. For instance, two Greek brothers I worked with on the table would drop fifteen to twenty dollars off the game into the toke box every time they went on break. I refused to do this, but to some degree I was a participant anyway, because the money in the toke box was divided evenly amongst us dealers.

One day one of the Greeks said to me, "Hey, you! Put something in the box!"

"Count me out."

"You have to put something in there!"

I grabbed hold of him and said, "Listen, you son of a bitch, I don't have to do anything . . . And if I ever do anything, you're going to be the last one to know about it!" I let go of him, and that was the end of the story. He never bothered me again.

El Cerrito was run by Pechart and Kessel, who had bribed all of the town officials. Pechart and another fairly nice fellow were partners in the Twenty-One Club with Bones Remmer, who might have been the meanest, crudest guy who ever lived. Remmer had no regard for anyone. He had a tremendous amount of money and power, and he was probably the first person I ever saw wearing a thousand-dollar sport coat . . . but he was basically a pig.

Remmer acted like a pig, and he ate like a pig. I saw him eat a duck one time; it was one of the most disgusting scenes I've ever witnessed. He picked up the whole duck, cooked rare, took an enormous bite from it, and just let the blood run down both sides of his chin.

One time I was eating at the dealer's table. There was a bottle of catsup on the table, and one of the dealers was using a lot of it on his pot roast. Bones called one of the waiters over and said, "What is catsup doing on the dealers' table? Get it off, and keep it off. Catsup costs fifty cents a bottle on the black market. Don't ever give it to the dealers again!"

Three or four old-timers were at the table, and one of them said, "Gee, that's a shame. No catsup. What do you think the fine should be?"

Another one answered, "Well, I don't know. Two hundred?"

"Oh, no, more than that; four hundred, at least!"

So the fine was set, and within an hour after those old timers had gotten back to the tables they had stolen four hundred dollars. I'd

been around the business for a long time, but had never seen anything like it.

Harry Montague — Harry the Horse, my wise-cracking friend from the Palace Club — was also working there as a dealer, and the first time we got a moment together he asked me, "What's going on, kid? Are you taking anything?"

"God, no! Honest to God, I'm not. I swear I'm not taking anything."

"Ah well, probably a good thing . . . you couldn't get your hand in a barrel anyway." [laughter]

Another "fine" incident involved sweet old Pop Poffenburg, who was supposed to be my check racker on the wheel game. (No matter how big the game got, Pop never really helped me; he would just sort of stand there all slumped over. He was supposed to be a lookout also, making sure all the bets were paid correctly. We worked half an hour on, and half an hour off, so I spent a lot of time racking checks with my little apron on, just talking to Pop.)

Anyway, I was sitting down since we only had one player, and Pop paid off a bet. He overpaid the guy, and an ornery pit boss came over, yelling, "What's the matter with you, you old son of a bitch? You're too old to deal this game anyway."

Pop's face turned red, and when the boss left he looked at me and said, "The fine will be five hundred."

Within half an hour a gal who had earlier lost a thousand dollars on credit play brought the money over to Pop to redeem her marker. "Oh Pop, here's the thousand I'm in. My husband gave it to me."

Pop counted the money out in two piles: "One, two, three, four, five hundred; one, two, three, four, five hundred. Yes, ma'am, that's one thousand dollars." He took five hundred in one hand, rolled it up, and took five hundred in the other. While picking up the paddle in the drop box with the hand that held the rolled-up five hundred, he coughed, reached up to cover his mouth, and slipped five hundred into his inside coat pocket. The movement was really quick, and the simultaneous actions of dropping half the money, coughing, and covering his mouth would distract any viewer from what he was really doing. I learned a lot from watching this old man. He said to me with satisfaction, "The fine is paid."

I witnessed it, and though I had nothing to do with it I would be awfully unhappy now if I knew that somebody who worked for me

saw someone steal from me and failed to tell me about it. But the dealers at the Twenty-One Club were treated so badly that I wouldn't say anything.

The day came when one of the bosses got even greedier, deciding that we could be making much more money by cheating the customers. Harry the Horse found out about it and told me, "They're going to bring in a mechanic on the twenty-one game and start busting these players out."

That was it for me. I was not going to be a party to cheating customers, so I quit.

12

With Harrah's Club After the War

AS THE WAR WAS ENDING Pat used her connections to get both of us discharged at about the same time. We had decided to get married, but first we went down to Los Angeles to help Bill Harrah buy some of the equipment and furnishings he would need to open his new casino. Bill and I went to the shop where they were making these items, including the new keno counter for which I had drawn the plans. The counter was going to be very expensive, because Bill wanted it made from a rare South American hardwood that cost fifteen dollars a foot. I asked, "Why don't we use that other wood at five dollars a foot?" But there was no way that Bill Harrah was going to do anything that wasn't first class.

After a day or two in L.A., Pat and I drove to Las Vegas and were married on Valentine's Day, February 14, 1946. Cliff Jones, who later became Nevada's lieutenant governor, was the judge who married us. Howard Keogh, who had joined the Marine Corps with me, and Judge Jones's wife stood up for us. We went to Death Valley for our honeymoon, and although we didn't get the room we wanted, we had a wonderful time, anyway. Our marriage started a whole new happy life for me.

*Clerk of
the works*

Arriving in Reno after three days in Death Valley, I was anxious to get to work.

Harrah's had a contractor working on the joint, but it wasn't near completion, so in the meantime, having very little money, I went to work dealing craps in a place across the alley called the Bonanza Club. A bunch of my old buddies were working there: Jack Duffy, who was one of the finest people in the business; Howard Farris, who later became my partner in the Cal-Neva;

Eddie Margolis, a real gentleman who ran the place; and another friend, Jimmy Metrovich, a big, good-looking kid, and a great athlete. Like everywhere else after the war, there was a lot of money around this joint, with everyone going for their own tokes.

A couple of months went by, and a guy by the name of Sundown Wells, a character known far and wide, took over the joint. I didn't care to work for him, and in the meantime Bill was having a hell of a time controlling his construction site, with a lot of supplies and equipment disappearing. So I quit the Bonanza Club on the first of April and went over to Harrah's with my first official job, "clerk of the works," supervising the new construction and doing whatever I had to do to get the joint open. It was difficult. Bill had an architect, and the theme of the new Harrah's was to be astrological — all twelve signs of the Zodiac were represented in some form. The building was only thirty-five by one hundred and forty feet long, but it was taking a lot of push to get it open, and we were running behind schedule. It seemed like everyone was spoiled from doing "war work," and I ended up doing a lot of physical labor myself. The union people were the worst. While wiring the bathrooms, the electricians would stay in there for hours, smoking cigarettes in the stalls. I'd have to hustle after everyone to get them to work.

When Bill Harrah started to do something, he always did it right. Nearing opening day I noticed a painter working on a big, beautiful, curved bar. He was applying eighteen karat gold leaf, then covering it with a clear coat of lacquer. I was impressed that Bill was going first class with everything, but the bar didn't look nearly as good as I thought it should. Bill came by and asked me what I thought of it.

"Well, Bill," I hedged, "it's all right."

"You don't like it, do you?"

"No, I don't."

So he turned to one of the workmen and said, "Take it off."

"God, no, Bill, don't do that. It's all gold!"

"Take it off," he repeated. "I don't care what it is; if it don't look good, it don't look good."

With some kind of solvent the painter scraped off the gold into a bucket. I asked him if any of it could be salvaged, and he told me, "Hell, no!" That's how Bill Harrah did things: anything he didn't like, he took out; and everything he wanted to buy, he bought.

Aside from being clerk of the works, I also ended up organizing and ordering all the gaming equipment, because the other executives, Bob Ring and Wayne Martin, had never worked in a regular gambling joint. There were two crap games, two wheels, two faro games, six twenty-ones, and a keno game. I didn't know a lot about slot machines at the time, so Bill handled their purchase, about a hundred and fifty of them. Since it was difficult to obtain parts for them, Bill just went back to Chicago and bought the Pace factory, one of the major slot machine manufacturers at the time.

A skimpy bankroll Before opening, we discussed limits. "What kind of limit are you going to deal on craps?" he asked. "What do they deal at Harolds Club?"

"Five hundred or a thousand." (An immense limit for those days.)

"We'll do the same, Warren."

"And Harolds is dealing a five hundred limit on the twenty-one."

"Well, we'll do the same." Then he asked me what kind of a bankroll I thought we'd need. Everything was calculated in my head, and I told him I thought we'd need about two hundred and fifty thousand.

"Does it have to be that large?" he asked.

"Bill, if we have much less than that, it'll be too skimpy. I'd be afraid to go much less than that."

"Well, let's see what we can do."

On the nineteenth of June, the night before we opened, everyone was working late and Bill was in his office. I went in, and he threw a satchel over to me, saying "Here's the bankroll."

"How much is it?"

"Count it."

I took the satchel and counted out sixty-five thousand. "God, Bill, I don't know how we can do this. We've got to put money on the games, fill the slot machines, and if anyone gets out on us, we're screwed!"

"Well, that's all we've got."

I did some maneuvering, and instead of putting ten dollars in the nickel machines that had jackpots of seven-and-a-half dollars, we put in five dollars. Likewise, we put ten dollars instead of twenty in the

dimes — we shorted fills on all the machines all the way up to fifty cents.

For the twenty-one games, we put only fifty or sixty dollars in silver on each tray; and I actually took big washers and rolled them up in dollar coin wrappers and put them on the twenty-one games to make the trays appear to be filled. [laughter] And of course we had table checks in five, twenty-five, and hundred dollar denominations. I had ordered as many checks as possible, because Bill always made it seem as if there was no end to his bankroll.

We opened on June twentieth with a sixty-five thousand dollar bankroll, and at first things went beautifully, smooth as glass, no problems. The joint was packed, everybody was playing huckley-buck, and everything was looking good. Then Al Winter from Portland came in. He was drunk:

"Hi, Warren. I want to give you some complimentary play, but I'm drinking, so hold me to no more than three thousand." I gave him the three thousand in hundred-dollar checks, and he went to the crap game, where he began winning right away, rolling a hot hand. He was getting out good, and he built a stack of white, hundred-dollar checks that looked like it amounted to twenty thousand. I was really sweating, when Harrah came up and asked, "How much are those checks worth? How much has he got out?"

"Twenty thousand."

"Close the game."

"Bill, you can't close the game. It's opening night."

"Close it, I said!"

"I just can't do that, Bill."

"Well, I'm going downstairs," and he nodded for me to follow him. I walked over to the game and said to Al, "Man, these dice are hot."

"Goddamn it, kid, I got you in my pocket! Can I bet the big six and eight?" (Al was the guiding light and the major shareholder in the Sahara when it opened up later in Vegas. He was a neat little guy, but he always liked to show off.)

"Sure, Al."

"How much can I get down?"

"Six hundred."

So we placed the six and eight for six hundred apiece, twelve hundred all together . . . and the dice turned cold and started to

seven away. Al went downhill as fast as he'd gone up, and within thirty or forty minutes he was stuck for three thousand. He decided to quit. "Hey, Warren, I owe you three thousand. Is that right?"

"That's right, Al, you owe me three thousand."

"Can I come in and pay you tomorrow?"

"Sure, Al. That's fine. Good night."

I quit sweating and went downstairs to Bill's office. He gave me a stern look and asked, "What happened?"

I answered, "That guy went broke and owes us three thousand." I was pretty pleased with myself.

"Go back up and lower the limit, Warren."

"I can't; it's not the right thing to do." But I finally relented, went back upstairs to the crap game and took the limit sign down, while telling everyone, "The limit is now two and four hundred."

I really thought that lowering the limit would hurt business, but it didn't. It went on . . . went like a bomb! With the limit at two and four hundred, we still could have gotten our heads knocked off with a hot, high-rolling hand, but no one really got out on us for about six months, and the skimpy bankroll I had been so concerned about continued to grow.

*Ex-Marines
from Montana*

I had definite ideas on how a gambling joint should be run, and I never wanted to give in to Bill when I knew I was right. The disagreement concerning the crap table limit foreshadowed incidents to come; my hiring practices were another source of aggravation between the two of us.

As soon as I went to work at Harrah's, I began to hire people that I had known before. You had a great chance of working for me if you were an ex-Marine from Montana! [laughter] Everyone wanted to come work for me, partly because of our prior friendships and partly because Harrah's was a great new joint. Wick Williams, my old friend from El Cerrito, came to work for me; Howard Keogh, from the Marines, came to work for me; Howard Farris, my future partner in the Cal-Neva, became a pit boss for me.

Hughie Connolly, who later worked as the graveyard shift manager at the Cal-Neva, had dealt for me before the war, and he was probably the worst dealer ever; however, Hughie had a special charisma, and I loved him very much.

Eddie Hughes, who was in the army, had been in combat and had gotten shot in the shoulder. His elbow was lame, and he'd hold it up pitifully when someone won, opening his pocket, saying, "How about something for the old soldier?" We tried to stop hustling, but tip money was plentiful and the joint was booming, so we didn't say much.

Back then, right after the war, things were different, and most joints accepted that there would be a little bit of cheating (or embezzling) by their dealers. However, after what I had witnessed in El Cerrito, I was determined that no one was going to take me off like that. Friends would alert me if any hustlers were in town, so I could be on the lookout and protect myself. It's in these kinds of circumstances that playing favorites pays off, and I was comfortable hiring people that I knew, for I already understood their strengths and weaknesses.

Playing favorites comes naturally to me, because I always felt that I became successful through chances that were given to me. As a consequence, if a person is any good at all and if I feel that personal connection, I'll play them a favorite. But Bill could sense that I played favorites, and he felt I was giving my people a little *too much* the best of it. Bill had his bingo people — Bob Ring, Maurice Sheppard, et cetera — from Southern California, and I had my ex-Marine Montanans . . . and never the twain shall meet.

Putting in a peek At Harrah's, even though I had two very knowledgeable guys working for me (Billy Panelli and Johnny Angeli), I was still nervous about the faro bank game. That game brought in some big money and some big people, and it made me feel very vulnerable. There were so many ways the wiseguys could get the best of you! One of the first peeks ever put in a joint in the state of Nevada was put in at Harrah's, and it came about as a result of an attempt to beat the faro game:

A man named Jake Viles had worked for me at the Palace Club as a shill when I was dealing twenty-one there. He was a dignified-looking man, but he was crippled up with arthritis — he'd sort of shuffle along when he walked, his hands frozen as if in prayer, and his face was always nicked with razor cuts because it was so difficult for him to shave.

Jake was a skilled counter who could remember the whole deck. I could be dealing twenty-one, ending up with eight cards left in my hand before the shuffle, and Jake would be able to name them all: "Eight of clubs, queen of hearts . . ." Even when he'd been drinking and was absolutely potted, he'd still remember all the cards.

At one time in his younger years Jake had managed a joint down in Tijuana. He was a bright man, and I enjoyed his company. On slow days, back at the Palace Club, we would talk, and I would ask him about his life and about gambling. Perhaps because of my interest in him, Jake was good to me, and he showed me a lot of things.

Jake loved to play faro bank, and every once in a while he'd get out a ten or fifteen thousand winner, quit work, pay his debts, and nurse that money along until he'd finally go broke and start shilling again for four dollars a day. But he never whimpered, never cried, and never told anyone what a big man he'd been in the business down in Tijuana in the early days.

Jake was still in Reno after the war, and one hot summer night about nine o'clock I got a call from him at Harrah's. I hadn't seen him for months because he was getting so crippled that he couldn't get around. He was living at the Mizpah Hotel, and he asked me if I could come right over to see him. It was important.

"Sure thing, Jake. I'll be right there."

I rushed over, and went up to his room and knocked. He opened the door, finger to his lips, motioning me to keep silent. There was no air-conditioning, so Jake kept his window open, and he tiptoed over to it and stuck his head halfway out and signaled me to do the same. I could hear voices — voices of people who worked for me, including a bartender, a pit boss and some dealers: ". . . he'll be on shift; he'll take care of everything."

These bastards were drinking and talking loud, and probably sweating, because it sure was hot! They were setting up a scam to take off the faro bank game by switching dealing boxes, sneaking in one holding a deck stacked for a winning hand. As soon as the boss set the phony box in the game, the outside guys were to start making big bets. They talked back and forth, and they were saying something like, "Panelli isn't on this shift, and it's Warren's night off, so this should go real good. We've got to be cool and we don't want to make any mistakes; but we should be able to take them out for ten

or fifteen thousand the first night, and then we'll slow it down and see how it goes."

I went right over to Harrah's and got ahold of Bill and explained the situation to him. We wanted to see the scam as it unfolded. I got up in the attic and crawled around, and I discovered that right over the faro game there was an air-conditioning louver. You could see everything. I was really excited, and I got back down and told Bill, "I can watch that faro bank game from above without anyone seeing me."

Bill put on a pair of overalls, and we both climbed up there. He looked down at that game from the louver and said, "Gee, Warren, this is a great thing. Too bad we don't have these on every game."

"Well, maybe we could fix it up?"

"OK, let's talk about it after this deal is over."

The next day, my day off, was when the scam was to be pulled off. I sneaked in the back door and made sure no one saw me. In the office, I put my coveralls on and crawled up, taking another guy with me. When it was about time for them to put the box in, I went back and left the second man in our new-found peek area to signal me when he saw the loaded box go in the game.

The signal was given. I knew the box was in, and I went and stepped in behind the dealer. He gave me a look of complete shock, and I said to him politely, "Get up please. I'm going to take over the deal now." He turned red in the face and began to stutter.

I moved the dealer aside, took the cards out of the loaded box, and shuffled them up. Then I looked at all of those fellows who were going to rip me off and said, "I'll tell you what I'm going to do for you boys. I'm going to take the limit off so you can bet anything your heart desires. So make a bet! Come on, make a bet! You might as well play straight from the top of the box." One by one, they all got up and cashed in their money. They were pretty chagrined and red-faced, and I told them, "This game is closed."

Bill ended up remodeling the attic area above the table games, taking out a lot of pipe work and putting in several two-way mirrors. Before I left Harrah's, Bill had several people working up there in the peek full time.

*The great
keno war*

There was a lot of competition between the main clubs at that time — the Palace, the Bank Club, Harolds, the Nevada Club, and Harrah's. About a year after Harrah's opened, Lincoln Fitzgerald came to town and opened the Nevada Club with Ruby Mathis and a man named Sullivan (no relation to Jack Sullivan). Fitzgerald was a short, pudgy little man who had a good reputation, and he ran his joint with an iron hand. He was the main event: he hired every person, and he stayed in the place practically twenty-four hours a day. The good treatment that he gave his help, coupled with his hands-on management style, created a lot of loyalty, the end result being a very good joint that made a lot of money.

The Nevada Club catered to the high rollers, in particular La Vere Redfield, and Fitzgerald was always there and saw to it that his help treated the customers right. However, I think the main thing that brought people in was the food. He had a hell of a baker who made the best coconut cream pies in town. [laughter]

After Fitzgerald had been in operation for a while, he hired Emmett Shea, a guy I had worked for in Butte, to operate his keno game. Emmett started the "keno wars" that briefly raged among the five big joints of the era. Fitzgerald had been playing lucky with his keno game, making quite a bit of money on the 33 percent that the house held, but all of a sudden his Nevada Club cut the percentage well below 20 percent, and started getting *all* of the keno business in Reno. He called his new rendition of the game "Bonus Keno."

I ran into Emmett on the sidewalk in front of the Nevada Club, and I told him that if I had been planning to do something similar at Harrah's Club, I would have let him know first. He kind of sneered at me and said, "I'm running this game; you go run yours."

I went to Bill and said, "Emmett Shea is crazy. We can't compete with these people. If we do the same thing they're doing, we'll lose money. The wages will be 9 percent; the taxes will be 4 percent; and the paper supplies and equipment will chew up 3 or 4 percent more."

"Warren, I've handled situations like this before with bingo. The only answer is to fight fire with fire. If they want a war, then it's a war they'll get. Can you fix our game so it breaks even, so there's no percentage for the house?"

"Yes, I can come close to that."

"Well, do it!"

"We're going to lose a lot of money."

"Let me worry about that."

I did my homework, figuring out the changes I would have to make on the pay card, and I got the percentage down so the player had maybe $\frac{1}{2}$ percent the best of it. Before instituting any changes, I went to the Bank Club, the Palace, and Harolds, and told them what we were up to. They too had been caught up in this keno war, and they tried to reason with Fitzgerald one more time; but he wouldn't budge.

In the next few days we introduced our "Bonus, Bonus, Bonus" keno game, advertising it with a big barrel in the street — increased payoffs, and if you caught an eight or a nine spot you'd get the big money, the limit being five thousand. And almost simultaneously the Nevada Club hit a losing streak and got hit for several big tickets, a catastrophe for them.

We were all losing about ten dollars for every hundred we were taking in, so we were literally cutting our own throats. Fitzgerald quickly changed his mind about Bonus Keno, and a meeting was scheduled of Reno's heavyweight gaming tycoons of the time: Bill Harrah, Harold Smith, Sr., Baldy West, Jack Sullivan, and Lincoln Fitzgerald. They were a strange lot — all of them quiet, dull, but very bull-headed people.

Everyone met in Pappy Smith's office at Harolds, and the only underlings present were Emmett Shea and myself. Bill Harrah let me speak for Harrah's, because he never liked to do much talking. "This mess we've gotten ourselves into is silly, because we're all losing money. We have to get this thing straightened out," I said. Fitzgerald agreed with me, but he felt that the percentage of 33 percent that we were holding in the beginning was just too much to take away from the customer. He thought it should be around 20 percent. I thought that was a little too low because of the high nut on labor, and taking into consideration our other expenses. I finally wrote some figures down on paper, but Emmett Shea, the big, blustery Irishman, burst out, "You can't do it that way."

"Emmett, just look at this. Here it is in black and white."

"You don't *know* black from white."

That infuriated me. I leapt up and punched him in the nose. Old man Smith was trying to pull me off Emmett, Jack Sullivan was trying



Raymond I. "Pappy" Smith (l.) and Bill Harrah (r.).

"The 'great keno war' lasted only fifteen days The meeting that ended it set a precedent for future meetings of the big gaming bosses to negotiate policies for all our clubs."

to pry us apart with his cane, and Bill Harrah finally got hold of me, pleading, "Warren, Warren, settle down!" [laughter]

The incident passed, and we all agreed to set the house percentage for keno at 28 percent. Now, it's probably down to about 25 percent, but it's gotten more and more expensive to run the game.

The "great keno war" lasted only fifteen days, but it generated greater interest in keno and a better game for the customer, making everyone happy in the end. And the meeting that ended it set a precedent for future meetings of the big gaming bosses to negotiate policies for all our clubs.

Wire service

The only clubs in town during this time that had a sports book were the Bank Club and the Palace.

They were getting good play on football, and although I didn't know anything about sports books, it looked like we ought to put one in. Bill Harrah agreed. To run it we got a good little guy named Maury Pew, who at one time had booked out of a small office in Moraga, California. Then we applied for Annenberg's wire service out of Phoenix, Arizona.

Some time went by without an answer before Annenberg sent a representative named Chauntel to tell us we couldn't have his wire. I was positive that Bill Graham, who was jealous of the business that Harrah's was getting, was behind this. I told Chauntel, "Look, I've just spent three years in service to my country, while you have been concerned only about your own little world of gambling." (This was a line I used a lot on people.) "If I say I'm going to get something, I'm going to get it!" It took all my powers of persuasion, but we eventually were given the wire service.

Women dealers

Although Bill Harrah never knew how to deal all the games, and didn't like to interact with people a lot, he learned a lot through osmosis by being a good observer; however, he never really made a great effort to understand the basics of the games.

Bill was a lady's man, and he went through a spell where he was running around town drinking and spending his money every night, keeping all the bars alive. All the people in the business knew what was going on. One day he came to me and said, "How come we don't have any girls working in here?" (At that time there were no

women dealers in Las Vegas, and the only place that had women dealers in Reno was Harolds.)

"Well, Bill, I never saw a girl who could deal twenty-one very good."

"Harolds has them, and they're all right. A few good-looking girls around here wouldn't hurt anything."

"I don't know . . . The only girl who ever worked for me dealt the Big Six wheel over at the Palace Club. She was an ex-teacher. She dealt pretty good, but I've never had another woman work for me."

"Well, some of them are going to work for you now, because I want you to hire them."

John Harrah was right behind Bill on this issue, and it was their place. I started hiring women dealers. We were doing a good business, so it wasn't difficult to lure some away from Harolds and break in others. None of them dealt craps, though, and we had no women in the keno.

In retrospect, it's clear that Bill's insistence on hiring women was the smart thing to do; I was certainly wrong on that issue. However, the business underwent a subtle change when women came into it. Although the days of actually *cheating* the customer were over, until women came into it dealers were expected to deal about twice as fast as dealers today, and you were expected to keep track of the aces and face cards.

If you had too many aces or face cards left in your deck after several go-arounds, you were expected to shuffle up and not give the player the best of it. It was an unwritten law, and you often heard "dealer talk" about it: "God damn it, I just got my head chewed off. Dealt a blackjack in my last eight cards! I had two aces in there, and I was daydreaming — forgot to count."

*I get
amortized*

About a week before we opened, Bill Harrah had come to me and said he'd like to change our deal, which was to include my getting 5 percent of the win on the keno. "Uh, oh," I thought, "this is what always happens."

"Warren," he said, "instead of your having 5 percent of the keno, I want you to have 5 percent of the whole place." This sounded very good to me; I was really excited.

I had a lot of good people under me: Billy Panelli and Johnny Angeli ran the faro bank games, Howard Farris and Dempsey Foster and a few others were pit bosses, and Pete Savage from Montana was in the keno. After Bill told me that I was going to get 5 percent of the whole joint, I promised these people, unbeknownst to him, a small percentage of the win in the areas they worked. I planned on getting this money out of the percentage that Bill had promised me.

The joint did fantastic, and I was proud of the part that I was playing in helping to make Harrah's successful. After the first year of operation I figured that minus operating costs, we were a winner by about \$1.5 million. Five percent of \$1.5 million is \$75,000, and that's what I expected as my share.

I had been paid maybe \$30,000 early on, and I went out and bought an apartment house for my mother and father, putting \$13,000 down. But I figured I still had \$75,000 coming, so I went to Pat Mooney, the CPA for the joint, and asked him, "Did Bill say when we're going to cut up the money?"

"Warren, there isn't any money to cut up."

"That's impossible! I've been keeping track of it myself."

"Warren, according to my figures, there's no money left. We had to amortize it."

I had never heard of the word, but the way I figured it, I got amortized out of a lot of money. [laughter] And I was really disenchanted, because I was unable to pay my people the cut that I had promised them. My philosophy has always included sharing the bounty with key people who help make a going joint possible. This not only rewards productivity, it also creates loyalty, and the policy has served me well throughout the years.

When Bill learned that I'd promised money to some of the men, he called me into his office. "Warren, I don't think you were right in what you did," he said.

"Well, I think I was. That's the way it should be."

"Who owns this place, Warren?"

"You do, Bill."

"Then shouldn't I be able to make the decisions?"

"Yes, but I think you should take my opinion under consideration."

"I already have taken it under consideration."

"Well, I guess I just don't belong here, Bill." Then I set my keys on his desk.

"Are you sure you want to do this, Warren?"

"I'm sure."

"OK, if that's what you want. Without you we never would have had this joint, but it looks like this is the end." He took his glasses off and tears ran down his cheeks. I didn't cry because I was all stirred up with adrenaline, certain that I was right.

Bill later said that I had acted as if I owned the joint. I suppose I did. I was making most of the gaming decisions, and I had no problem opposing Bill when I felt he was wrong. But in truth, we had so many philosophical differences, not only concerning gaming but our philosophies of life in general, that a split was inevitable.

13

Partner in the Waldorf

I LEFT HARRAH'S in 1948 with no rancor or animosity. To this day, I am unable to decide if I quit or got fired . . . In any case, in the long run leaving was certainly the best thing for me.

For months after, all I did was fish. Every day I fished in the Truckee River, and I had a lot of fun; but by then I had a wife and a year-old son, Greg, and I also felt responsible for my parents, and I soon started to worry about money.

Buyer, beware My friend Howard Farris came to me with a proposition. He had a chance to buy a little joint called the Waldorf, located on Virginia Street in the same block the Cal-Neva is on today, and he asked if I'd like to go in partners with him. It looked like a good deal, but I would have to borrow twenty thousand dollars to do it. Since I had no collateral and no relationship with any bank, I started at Harolds Club, walked around the block to the Palace and the Bank Club, and within an hour I had managed to borrow twenty thousand in cash, which I carried in my pocket. I just told people who knew me that I needed money, and they gave me whatever they could. The most I got was seven thousand from George Hageron.

At the time I didn't know it, but Howard had borrowed much of the money he needed for his end from Nick Abelman, who had owned the Riverside for years. In the old days, the Riverside was known as a clip joint, a place that always took advantage of a big player. It was just sort of accepted back then, and no one really thought any the worse of anyone who was involved in that type of operation. With our borrowed money Howard and I bought the Waldorf from Art Nelson,

who stayed on and helped us for a while, and his son continued to work for us.

When we bought the Waldorf I got my first gaming license, but when the amount for the slot machine license fee came due, I didn't have the six thousand that I owed. I went to the collector of fees, Sheriff Bud Young, and told him I didn't have the money. He said not to worry about it, and it was nine months before I paid him.

The Waldorf was just a little joint with a twenty-one game, a poker game, a roulette wheel, and sixteen or twenty slots. The gaming was all located in the back. Out front was a cafeteria-style restaurant with a menu of sandwiches and chili and things like that. The food, which was quite good, was prepared in a basement kitchen and brought up to the cafeteria line.

Lunch business was great, but from the beginning the Waldorf as a whole was a mistake. It was a matter of "buyer, beware," and I hadn't. [laughter] I knew nothing about the bar or restaurant business, and when I inspected my inventory I found that I had bought \$10,000 worth of junk. There were even thirty or forty cases of Southern Comfort (you'd be lucky to sell a bottle a year), and there were cases and cases of bum, rot-gut liquor that joints had been forced to buy from distributors if they wanted to get the good whiskeys during wartime.

Luck, good and bad I had been around bigger gambling houses all of my life, and was used to big action and crowds of customers. In the beginning I felt that people would come in and play just because they knew me, but the place didn't have enough attractions for players. There were a few little joints like the Merry-Go-Round and Colbrandt's that didn't do too bad during the war, but when the bigger joints like Harrah's and Harolds opened, they really had a tough time of it. For one thing, prior to the war all of the little joints had a reputation with the locals for cheating: that's how they got by. Now the bigger joints were taking all the business, and I was quickly in trouble.

Although the Waldorf did attract a lot of university students, it's tough to make money selling fifteen-cent Cokes. And we also had thirty-cent beers, so you had to check I.D.s all the time. [laughter] Some of the students became lifelong friends — guys like Charlie

Springer, a supreme court judge; Joe and Tom Foley; and Louis Wiener, who became a lawyer down in Las Vegas.

The Waldorf was losing money, and Howard ran into some financial trouble at the same time. He was running another deal, buying and selling wartime scrap off Pacific islands that had seen combat, and some of his ships loaded with scrap metal from Guam were in port in San Francisco when the stevedores went on strike. Before the strike ended the price of scrap metal plummeted, and Howard ended up near broke.

The picture was looking pretty bleak when I ran into some luck and hit a winning streak with a good customer and gentleman by the name of Bill Paterson, the owner of Paterson's Men's Store. I had a \$5 number limit for a straight-up bet, but for him I changed it to \$10, which paid thirty-five to one for a maximum of \$350. Mr. Paterson ended up being very unlucky, and he quickly lost \$5,000. I couldn't believe my good fortune . . . I needed that money so bad!

It was about three o'clock in the morning, and the place was empty except for Mr. Paterson and me. He said, "Bring me a check, Warren, so I can pay you." I brought him a counter check, and as he began to sign his name, he turned white and his hands began to shake and he fell over backwards with a full-blown heart attack. I rubbed his wrists and got a shot of brandy in him, and he finally straightened up a little and signed the check. Then I drove him to the hospital.

The next morning I was at the bank when it opened, and the check was good. I put that five thousand in a special box in our safe. It inspired me to continue. I kept telling myself, "Things will get better . . . maybe."

In the meantime, whenever someone came in, they'd say, "Come on Warren, have a drink on me!" At least I could get fifty cents in the till on every pop, so I began drinking fifteen to twenty coffee royale's a day. I woke up one morning, shook my head, and said to myself, "My God! I'm an alcoholic!" From then on I drank straight coffee. Becoming an alcoholic is *not* the way to make a living.

During the course of Howard's scrap metal fiasco, he came back to work at the Waldorf, and I told him about the five thousand we had won from Paterson. Although Howard was probably the best friend I ever had, I never really knew what he was doing or when he was telling me the truth. I came in one day and Howard was gone,

taking the \$5,000 bankroll with him to San Francisco to help him out of his financial mess down there. I still trusted him, but I was devastated to find that money gone. The bankroll got down so far that if someone came in and cashed a fifty-dollar check, I'd immediately run across the street to the Bank Club and cash it again so I'd have enough to operate on for the rest of the day.

To top it all off, I was having trouble with the unions. I was paying the bartenders, the cooks, and the waiters two dollars a day over union scale, going broke doing it, when all of a sudden there was a bartender's strike. There wasn't a bartender in town for whom I hadn't done a favor, loaning them money or getting them a job, so when these guys came trying to get me to sign into the union, I just blew up. I had always treated my help fairly, and I didn't need a union to ensure that I did. I refused to sign, and everyone knew I was steamed.

A few days later the bartenders began picketing outside my joint, and they were being led by a friend of mine from the Marine Corps, Danny Basta. I just flipped. I stormed outside and yelled, "Danny, what in the hell do you think you're doing?"

"Well, uh, Warren . . . no offense to you, but I'm captain of the pickets."

"You son of a bitch! You're captain of the pickets, huh? You were lucky to be a PFC in the Marine Corps, and now you're captain of the pickets? You're doing this to me?" I was able to get the picketing stopped, but this incident solidified my distaste for unions.

*"I'm getting
out of here"*

The outlook at the Waldorf became more and more desperate. I couldn't see any way to make money there. Howard was in similar financial straits, and he was forced to let Nick Abelman take over his piece in lieu of payments on the loan he had made. Nick came to me and said, "I want you to stay on as my partner; but instead of 50 percent, you take thirty, and I'll spend twenty thousand to remodel. I want to make a nice place of it."

I knew the reputation Nick had for running the Riverside, and I told him I'd like to stay on, but we were not going to cheat. He said, "Warren, I know you're a good man, and I believe that being on the square is the best way to make money." With this assurance I accepted his conditions, and Nick got an architect and a contractor

and began tearing the place apart. He wanted to make the Waldorf look just like the Riverside, which had a little artificial stream running through its bar.

Nick spent a lot of money on the place to make it look good, and he came in faithfully every day. He was basically a good, honest human being, but he had a completely different notion about how to run a gambling joint. Promises aside, he just refused to run the games on the square, and it scared the customers away. Nick also brought one of his nephews in to work there, and the guy got on my nerves. He was an arrogant sort who liked to socialize with the ex-bosses, ex-dealers, and others who hung around playing pinochle, waiting for someone to buy them a beer.

The Waldorf just kept going downhill, and finally I'd had it with the place. I told Nick, "I'm getting out of here."

"Well, you don't have anything coming."

"I know that," I said. I probably should have gotten something, but I just wanted out, so I walked out the door. The Waldorf and everything I'd put into it were left behind forever. It was September of 1949.

14

At the Mapes

I HEADED STRAIGHT for the Mapes to see my friend Bernie Einstoss, who was now in partnership with Charlie Mapes and an old-timer named Frank Grannis. Frank had been a gambler all his life. He had grown up hustling, shooting dice, and shooting tops around the docks in San Francisco and Los Angeles. He was a thin, quiet guy, and he was honest; both he and Bernie were always on the square. Charlie Mapes came from a ranching family, and he did the smart thing by getting Frank and Bernie as partners.

There was one more partner in the Mapes: Lou Wertheimer, a suave older gentleman who was married to a young, good-looking woman. Lou was a sharp dresser who had a way about him; he knew how to handle people. He had worked in joints in Palm Springs and Los Angeles, where he had become acquainted with many of the movie people the Mapes had as clientele.

*The best
joint in
town*

I went directly to Bernie and asked him for a job, but Bernie told me that Charlie Mapes liked to do the hiring. "Whatever you do, don't tell him you talked to me first," said Bernie. "Just tell him you want to go to work." When Mapes hired me, he made it clear that I would be answering to him and not to Bernie Einstoss.

At that time the Mapes was the best hotel in town. Over the five years I worked there, I moved back and forth between the Sky Room and the main floor — between swing shift in the Sky Room, which opened at five o'clock, and the day shift on the main floor. The beautiful Sky Room was on the top story of the hotel overlooking the river and the city lights. They had top-notch floor shows with first-class dining in an area that seated seventy-five or

eighty people. Separate from this was a small gaming area, with a couple of crap games, two twenty-one games, a wheel, and a few slots.

The main floor housed two restaurants, a coffee shop, the Riverside Dining Room, and the hotel lobby; and, of course, the main gaming area consisting of slots, a crap game, three twenty-one games, and a wheel. We had a lot of girls working as shills, and they were good-looking and classy — not hustling girls or anything like that. They were just there for show, icing on the cake. Guys used to come in just to look at all the pretty girls.

The Mapes was an unbelievably good joint. You could be in there and it would seem dead, when all of a sudden a few big players would come in on the craps and the place would just explode with action. It wasn't unusual for us to win thirty or forty thousand a day on three or four games. There was a lot of high-rolling, exciting play.

*Haven for
gangsters?*

Sometimes it seemed like the Mapes was a haven for gangsters, but in reality they treated it more as a vacation resort, and I saw no attempt on their part to get involved in the gaming business in Reno. Sam Giancana, who was supposedly connected with the Chicago mob, was one of our customers. He was a mild-mannered, soft spoken guy who probably would have gone unnoticed without his two hulking bodyguards. Mr. Giancana shot craps at the Mapes, nothing else — a hundred dollars on the backline, every roll of the dice, hot or cold. He didn't react one way or the other, and he would just appear to be passing time rather than making a serious effort at gambling.

Back then the state had no rules about who could play and who couldn't. The black book¹ was not yet in existence, and Giancana's money was just as good as anyone else's. Among other gangsters who would play at the Mapes were Virginia Hill (who was connected to Bugsy Siegel), Mike Epstein, and Mickey Cohen, the head mob guy from Los Angeles.

¹ Officially *The List of Excluded Persons*, the black book has its origins in Gov. Grant Sawyer's early 1960s efforts to curb the influence of organized crime on casino gaming in Nevada. It lists leading underworld figures, and advises gambling interests throughout the state that they jeopardize their gaming licenses by associating with anyone on the list.

Along with the casino gaming, Bernie Einstoss was also booking sports bets by himself from a little office in the back room. Bernie was very generous, and he took good care of me. Besides paying me thirty-five dollars a day, he gave me bonuses — real big bonuses. He would come in and ask me how we did for the day, and he'd reach in his pocket and hand me a lot of cash. There was a *lot* of "under the table" money in those days, and practically no one would work in a gambling house unless they were cut in on part of the action off the top.

I was successful at the Mapes, and enjoyed my time there, largely because both Charlie and Bernie gave me a pretty free hand to run the place as I saw fit. (I always functioned better when given a free hand, and I believe in doing the same with people who manage for me.) But eventually Bernie left to go work in Las Vegas, and things changed.

Bill Pechart, who had run the Twenty-One Club in El Cerrito with Dave Kessel, wanted to buy the Palace Club. When he was denied an ownership license, he came over to replace Bernie as manager for the Mapes. Pechart was a big guy with very long arms. He was a great front man who would greet people by wrapping those arms around them and pulling them close. Pechart always treated me well, but he was boastful, and I didn't like the dishonest way he ran gambling joints, so I decided to leave the Mapes.

15

Postwar Players, Crooked and Square

*Lightning
hand*

AFTER THE WAR, Harrah's was becoming a big, big business — the classiest place in town — and players, a lot of them businessmen from California, were pouring in. On the fringes were the old outside hustlers I had become acquainted with at the Palace Club — guys like Bernie Einstoss. (When Bernie started playing craps at Harrah's, he had become more legit by getting the lease on the gambling in the Mapes, which he'd won on a bet.) Bernie and I looked alike — both tall, blond, and built similarly. His nickname was Mooney, and people used to confuse us and call me Mooney.

In a faro bank game at the Palace before the war, Bernie had bet with the house against a guy named Sacramento Butch. I had held both of their bankrolls, \$6,000 in hundred dollar bills, one bankroll in each hand. Since they were betting against each other, I moved hundred dollar bills back and forth as they won or lost. Bernie kicked me under the table and whispered, "Slip me an extra one; come on, slip one to me." I just laughed at him. I think my honesty impressed him, so when he started playing at Harrah's after the war, I already had a good relationship with him.

Bernie would go into a joint with three or four guys to play craps, and they would play so fast and so strong that it was easy to get taken by them. Even the best of dealers had a difficult time keeping up with that kind of action, and somewhere along the line a player'd usually get paid twice — they'd snatch the double pay money off the layout before anyone could catch the error.

One day Bernie came into Harrah's to play craps with his lightning hand, and I was the floorman watching the game. Howard Farris's brother, Kedy, was the dealer, and he was

very good, but Bernie was too fast. Bernie swept up a thousand dollar payoff from Kedy and put it in the rack, leaving the original bet in place, and the second crap dealer paid him for the same bet again.

I witnessed this, but Bernie was already into the game for about thirty or forty thousand, and he had his money in the rack. Once he had that money in front of him, I knew I couldn't get it back without starting an argument. It was our mistake, and sometimes you eat those mistakes rather than slow up play and argue with a customer who's already mad from losing. But the dice were really chopping, and I had a premonition that he would end up stuck. When the game broke up, he had lost sixty thousand.

The next morning Bernie came to see me. He said, "God damn it, kid, you really tore us up last night. I never got to eat all my money so fast in my life."

"Well, Bernie, it wasn't all that bad. You got three thousand the best of it by snatching up three bets."

"Hey, now, just what do you mean?"

"Bernie, you got paid double for three bets. I saw it."

"Well, why didn't you stop me if you saw it?"

"The dice started rolling our way; the dice were just chopping. I knew I was going to beat you, and I didn't want to slow the game down with an argument that I'd lose. I would rather keep you as a player."

"Kid, you're right, but I didn't know that you knew what was going on." Bernie and I formed a mutual regard for one another, which benefitted me later when we worked together at the Mapes.

*"We can beat
this guy"*

Fritz Zeibarth was another big player who used to come in to Harrah's. Fritz had been an electrical engineer for the Hoover Dam project, and he was worth millions. He was a memorable guy — big, red-faced, burly . . . always wore leather puttees, and his ordinary speaking voice was a bellow.

I had become acquainted with Fritz when I was with the Palace. He had been playing at the Bank Club, lost a thousand in cash, asked for credit, and was turned down. So he came into the Palace and asked to see the boss. "I'm the boss," I told him.

"Well, I've been playing across the alley, and when I asked for some credit, they threw me out. Will you give me some credit?"

"I don't know. How much do you want?"

"Twenty thousand."

"OK, you got it."

"You mean it? You're going to give me twenty thousand?"

"Yes, sir."

"Then this is the place I want to play!"

I've always followed my instincts, and I was positive that this guy would be true to his word. Fritz was a dangerous player, who played fast and played well, but he started shooting craps and ended up losing twenty thousand, for which he gave me a good check the next day. He always remembered me as the guy who gave him credit when no one else would, so he was pleased to find me at Harrah's Club.

Fritz started out playing craps at Harrah's, but then became enthralled with the faro bank game. He had been studying a system to beat the faro bank called "chops," a system of progression in which you bet on the case cards only, because there's no percentage against you. In the chops system, you progress up or down in certain units of money, and if you win one more bet than you lose, you're a winner. People would sit and play chops for hours and hours, and not win or lose much either way with the low limit we had. It's tough to beat anyone playing this system, but eventually a losing streak will always get you . . . always has, and always will.

I had complete confidence that I could let Zeibarth play his chops system and that I would eventually beat him. Because the action was too slow, I told him I'd take the limit off the table if he would put up \$100,000 in front money. He put the money up in the office and began to play.

Fritz played for perhaps twenty days, winning a thousand to two thousand a day, maybe forty thousand all together. He was a noisy, boisterous player, and he began bragging to me, "This joint will soon be mine. It will be *Zeibarth's* instead of *Harrah's* on that sign on the front door!" How he loved to needle me!

A little Italian guy named Shorty would play for Fritz,¹ and the two of them created a great deal of interest in town, with gamblers coming from all over to watch them bet as high as three or four thousand dollars on a card.

Harrah came in one day, watched the play, and asked me, "Can we beat this guy?"

"Bill, I'm positive we can beat this guy."

"Well, I've talked to some people, and I don't think we can."

"Bill, I know one of the guys you talked to, Hugh the Baker. Even though he gambles a lot, I don't know what a baker could know about our business. I think we've got a good thing going here, and we're going to beat Zeibarth."

Bill was really nervous, and I don't blame him because his money was at stake. But I knew the game inside and out; I knew the people dealing the game; and I was positive we were going to get that hundred thousand.

After twenty days of play, Fritz had progressed his bets from ten dollars a case up to six thousand a case. The play ebbed and flowed a little bit, but the tide finally turned. In a very short period of time, he lost the hundred thousand — it was all gone. He had also been putting his winnings in the office every day, and he lost that forty thousand besides.

He asked me for twenty-five thousand more, but I wouldn't give it to him, telling him, "We had an agreement: one hundred thousand. We're going to keep that agreement. I'm not giving you any more money." In order to get away from his begging, I went home; but in the meantime, he hit up Bill's father, John, who was also working there at the time.

John Harrah gave Fritz the twenty-five thousand, and he sat down and blew it in about five bets, then left and returned to Los Angeles. I was mad that John had given him the money — I hadn't wanted to see him go that strong and get hurt. When we didn't hear from Fritz for a long time, Bill began to wonder if he'd ever pay up.

Several months later I got a call from Fritz, who said, "I want to thank you for not giving me more money, but I still owe that twenty-five thousand, and I'll be up tomorrow to pay it."

¹ Fritz Zeibarth put up the bankroll, and Shorty played it.

The next day the newspaper carried an article: "Fritz Zeibarth Dies of Heart Attack." I could have gotten the twenty-five thousand from the estate because I had the check for it, but Bill said, "No, let it go," realizing that Fritz's wife might be having a tough time of it. Although Bill was not a man to give a lot away, and was not known for being a philanthropist, he nevertheless did some very good deeds in his life.

Another example of Bill's kindness involved a man who worked collecting automobile license fees for the state. He was a player, and one day, after blowing ten thousand, he came to me and asked to borrow more.

"Hell, no, I can't give you any more money."

"Well, uh . . . I have a confession to make. That money I just lost wasn't my money; that was the state's money."

Immediately I went to Bill and told him, "That guy who lost on graveyard was betting the state's money. He stole it. What do you want to do?"

"Take ten thousand out, go down with him tomorrow morning, and make sure he puts the money back." He gave people the benefit of the doubt on many occasions, something that many businessmen would never do.

*Happy to be
a peon*

Harold Smith, Sr., who had played with me in the Palace Club, had gained stature due to his success, and after the war he was even more arrogant than before, continuing to treat me like a peon.

During Harrah's opening days, Smith strolled in and demanded, "Give me twenty thousand! I want to shoot some craps."

"Yes, sir, Mr. Smith," I answered, while I sent a pit boss to get some hundred dollar checks from the office.

"Where are my chips?"

"I had to send to the office to get them, sir."

"Well, it's no wonder I've got the biggest gambling house in the world."

Finally the chips arrived and were counted out and set in a rack on the game for him. He took his time, making sure that everyone recognized his importance — he was holding the game up to dramatize the show. He appeared to be waiting for something, and he finally turned to me and said, "Well, where's my chair?"

"Just a minute, sir." And I walked over to the bar and got a bar stool for him. That's the first and last time I ever saw a player sit at a craps game.

Catering to customers, no matter how asinine their demands might be, has never bothered me: the only thing that really matters is winning the money . . . and if being treated like a peon could help me win money, then I was happy to be a peon. It's a lot easier to overlook people's shortcomings when you're winning their money. [laughter]

Harold Smith continued to play with me after I started working at the Mapes. He would strut around the casino, talking to the girls at the bar, always showing off, which is a part of the business. He would come in to play with Eddie Sahati, a real sharp player who would take a shot and get the best of you whenever he could.

*A personal
thing*

Lincoln Fitzgerald came to town in about 1947 or so. He was a quiet man, and distant from the whole town, but he made a success of the Nevada Club.

His main draw was real good cream pies. Great bakery, great bakery . . . he sold a lot of them. And he had a lot of nickel Mills slot machines; I think he brought them with him from the East when he came out.

I was still at the Mapes when Fitzgerald got shot. Nobody was ever arrested for the crime, and the story was always that the mob did it. I doubt that. I think it was someone within his organization or someone he had fired, because the mob would not come in and shoot a guy the way he got it. As he was opening his garage door he was blasted from close range with a twelve-gauge shotgun loaded with number 6 shot, which tore out a kidney. If you knew what you were doing and you wanted to kill somebody, you wouldn't use number 6; you'd load your weapon with double-ought buckshot. To me it seemed likely that the shooting was a personal thing.

After Fitzgerald was shot he lived in his joint. He sat back behind the counter there twelve to fourteen hours a day, but the only way that you could talk to him would be if he called you over.

A system player

La Vere Redfield, "Mr. R," was an amazing man who had made all his money in the stock market. He was a good customer, but he was tougher on a buck than anybody I ever saw. One day he came in to the Mapes with a dividend check in the amount of \$47,400.04. "Warren," he said, "I want to leave twenty thousand here to play against, and I would like to have the rest in change."

I went to the office to get the money. Carefully, I counted out twenty thousand for him to play against, and put it in an envelope that would be kept in the office. I brought out the remainder of the money in thousand dollar bills, which was his preference, and counted it down very carefully in front of him.

"Twenty-seven thousand, four hundred. Is that right, Mr. R?"

"No, that's incorrect. You forgot the four cents."

"My God, I did forget that four cents!" So I handed him a nickel from my pocket. "That gives you a little bit the best of it."

"That's fine with me, Warren. I like a profit," he said sincerely.

Eventually Mr. Redfield was keeping \$100,000 in the Mapes office to play against. He was a "system" player on the roulette wheel, and system players who have unlimited money are hard to beat . . . but although it takes more time, the house eventually wins. He would come in six days a week, sit down for three or four hours, and grind out up to a thousand dollars a day. He had been playing for about thirty days, when Bernie Einstoss, Frank Grannis and I got together to discuss the situation.

The limit we had been dealing Mr. R was \$250 on a number, paying \$8,750 on a thirty-five-to-one, \$5,000 on a two-to-one shot, and \$10,000 on the even money bets, black and red, odd or even. At that time, that was an amazingly high limit, but he seldom bet it unless he was losing, when he would begin systematically progressing his bets higher with each loss and each roll of the ball, looking for the winner.

"God damn it," Bernie said, "we can't beat this guy. Let's cut him off or reduce his limit."

"God, no, don't do that, Bernie. Don't cut him off now. Give me another week," I pleaded; and Frank supported me. Bernie finally agreed to let the play continue for another week.

Several days after our discussion Redfield's luck turned, and soon he was repeatedly betting the limit on each number, losing four or

five times with every spin of the ball. With his hundred thousand dollars fading away, he boldly bet about eleven thousand on the layout, covering most of the numbers on the inside and outside columns, but leaving the middle column empty.

The ball was rolling, when suddenly he moved all his money on the inside column to the middle column. Now, I am not a superstitious person, and I deplore superstitions in the gambling business, but at crucial moments in my life I do believe I have experienced ESP. I looked in the mirror and saw the ball and the wheel spinning around in opposite directions, and I envisioned the ball dropping into number three, located in the now-empty inside column. I knew what was going to happen, beyond the shadow of a doubt!

The ball dropped into number three. Mr. Redfield was wiped out. He had a sharp pencil and a pad on which he recorded every winning number, and when he finished writing down the number three, he remained motionless for many minutes. I tip-toed around and kept my mouth shut: there's not much you can say to a man who's just lost a hundred thousand dollars. Mr. R was a true gentleman, but a player till the day he died, always believing that he was smart enough to beat the game.

Caruso dies Another system player who used to come in to the Mapes all the time was a fellow from New York named DeGiacomo. He used a progressive betting system, and he also threw the dice in a particular way. Mr. DeGiacomo, who spoke with an Italian accent, loved everything Italian, particularly the opera. He was also a haughty, arrogant man who was rude to everybody; but he had so much money, and lost so much of it playing, that we treated him with kid gloves.

DeGiacomo had a way of manipulating the dice that he thought helped him to win: he'd turn them over on the table in a little ritual, hold them in his hand a certain way, and then lob them into the corrugated rubber at the end of the table. He had a run of luck — the kind which confirms a system player's faith — and he got bolder and bolder, bragging all the while about his system. But his luck turned. Luck always does.

One day after losing about five thousand, DeGiacomo stated that he wouldn't continue to play unless he could throw the dice closer

to the end of the table. I said, "Mr. DeGiacomo, that's no problem. Just where would you like to shoot them?"

"Right about here," he said, and he moved up to a spot about three feet from the end of the table. None of the help liked this snotty little bastard, and we all wanted to beat him, so I decided to let him shoot the dice three feet from the end of the table. It was unorthodox, but as far as I could see it would make no difference. Dice are square; even if you throw them from three inches out, as long as they hit the rubber they're unpredictable.

Suddenly he's in five thousand; he's in ten; within forty-five minutes, he's in all of his money . . . sixty-five thousand, and we got him stuck real good. He asked me for credit play, but I told him, "Mr. DeGiacomo, I love you like a brother, but I can't give you any credit. You're having a bad day, and you're not going to be able to win feeling the way you do. Why don't you go over to the restaurant and I'll buy you lunch?"

Another boss who was on break had witnessed DeGiacomo lagging those dice from only three feet out, and he thought I'd either lost my mind or was in on some kind of scam. While the game was still in progress he reported to Mapes, who now came down wanting to know what the hell was going on. "Nothing happening, Charlie," I said. "I just let DeGiacomo shoot the dice in a kind of unorthodox manner. We just beat him out of sixty-five thousand." I was still Charlie's fair-haired boy.

Back at the restaurant, Dino, who despised DeGiacomo, was taking his order: "What would you like today, Mr. DeGiacomo?"

"Bring me a glass of wine and leave me alone!"

But Dino didn't leave him alone. I went to make sure DeGiacomo was being treated properly, and found him sitting at the table with tears in his eyes; staring into his glass. When I saw Dino, I kiddingly asked him, "Dino, Dino, what did you do to DeGiacomo to make him cry like that?"

"I reminded him that Caruso was dead,"² he said with a straight face. I just cracked up! [laughter]

² Enrico Caruso, 1873-1921, was a great and beloved Italian operatic tenor.

Kill them with kindness

During my five year stint at the Mapes I honed my skill for romancing customers, but Mr. DeGiacomo was such a difficult person to get along with that he challenged my ability. No matter how rude the customer, I felt that if you treated him with kindness and patience, eventually he would respond . . . anyway, he'd be more likely to stay at your joint, gambling and losing money, and in that way paying for his rudeness. [laughter]

Harry Weitz, who had worked with me at the Twenty-One Club and later at the Palace, worked with me as a boss at the Mapes. Harry had mastered customer relations, and I learned from him. We just killed everyone with kindness. If Harry spotted a player getting ready to leave, he'd stall him and signal me up to the front door. I'd cut him off at the pass, saying, "Hey, come on, you can't leave yet. I was just going to buy you a drink." We really worked the customers over with our particular brand of "kindness." I'd even buy drinks for customers who weren't betting. You never know how far good will extends — some would bring in friends who were real high rollers.

Sergeant

A lot of high-class entertainment played the Mapes.

Bilko

Some of the entertainers were difficult to deal with.

Phil Silvers, star of the television show "Sergeant Bilko," once was booked into the Sky Room as a comedian, and he flopped. The first few nights he played produced absolute silence from the audience . . . no one was laughing. His engagement was to have lasted three weeks, but he wound up being there only five days before Bernie found a replacement.

When Silvers had arrived, his manager had told the casino that no one was to give him any credit since he was a compulsive gambler. Perhaps one in ten thousand people are truly compulsive gamblers, completely out of control, and Phil Silvers was one of them — he just *loved* to shoot craps. Immediately following his last performance, when he found out his contract was bought out, he told me, "I want the thirty thousand I have coming." I told him we were under orders not to let him have it, but he persisted. So I called Bernie and told him Silvers was pressuring me.

"All right, give it to him," said Bernie.

I gave him the money and he started to play on the crap game. In three hours he was completely broke; he lost the entire thirty

thousand. It was five o'clock in the morning and time to close the Sky Room, but Silvers wouldn't leave. He just stood there with a dejected look on his face.

One of my duties was to count the money from the table game drop boxes, and I spread all of the money from the crap game out on the roulette table to count it. About then, a new elevator operator who didn't realize the Sky Room was supposed to be closed brought up two drunks. They got off the elevator and strolled over to where I was counting the money. Maybe forty thousand altogether, including Silver's money and the rest of the drop, was spread across the roulette table in neat little piles. Those two guys got all wide-eyed. One drunk nudged the other and said in a loud, sloppy voice, "My God! What is he doing?"

Mr. Silvers had tears in his eyes. He shouted, "He's counting my money!" [laughter] That was the last time we saw Phil Silvers at the Mapes.

Big tip, big woman A cadre of old women would take the train over from the Bay Area to stay at the Mapes for a week at a time. Mrs. Moore, Mrs. Heathey, and Mrs. Perkins were all women up into their seventies and older, and they liked to gamble . . . they liked to play. They'd come in to play the wheel, and they'd borrow money from each other and squabble amongst themselves, and have a great time. [laughter]

Mrs. Moore had been a good-looking woman in her time, and she claimed that she was a former show girl. She dressed the part, with dyed red hair, bright lipstick and a mink stole. Everybody knew her; she tipped so much money that the dealers just loved her.

Mrs. Moore was a good player, but she was a piece of work! She was always claiming bets on the wheel that she didn't have coming. I liked her and I romanced her, but one day she changed a bet, and I said, "That's it; I'm not going to pay you. This has to stop." Within an hour she was after me again, claiming I had picked up one of her checks. I hadn't, and I denied it. So she huffed and puffed, and got up and cashed out her checks and walked out the door.

After my shift I was sitting at the back of the room having a drink when somebody tapped me on the shoulder. It was Mrs. Moore. She handed me an envelope and said, "This is for you." In the envelope

was a bank book. She had gone across the street to the bank and put \$5,000 in an account in my name.

I said, "Mrs. Moore, I can't take this." It was the biggest tip I ever got, and I wouldn't accept it. I had a policy that I wouldn't take a tip from anybody, because I didn't figure that you could discipline the players if you kept taking their money. And as a boss I was making thirty-five dollars a day, and all of the tips went to the dealers. So Mrs. Moore left the \$5,000 in the bank. Whenever she came to Reno she'd draw the interest on it and play with it, but there was always five thousand in the account.

As we got better acquainted I took my family down to San Francisco a couple of times and we stayed at her house. She was very well off — had a formal dining room with a table set with linen table cloths, heavy silver, and crystal; and when she wanted her maid she'd ring a little bell. When she died I took the five thousand out of the account, bought a lot, and built a house on it. That was a big tip and a big woman; she'd stand out in anybody's mind.

The Palace, Again

WHEN I LEFT the Mapes, several groups were finagling to buy the Palace Club. Two of my old pals, Harry Weitz and Howard Farris, were putting together a deal to get the Palace in conjunction with a bunch of other guys, including Louis Iacometti, Louie Rosasco, Frank Cohen, Jack Guffey, Cliff Brady, Joe Hornstein and his two brothers, and a guy named Joe Padilla. The place was cut up like a Christmas goose. [laughter]

Frankie Frost, a mob guy from back east who had found a safe haven in Nevada, was also trying to get in on the deal. I had known Frankie before the war as a faro bank player. He was a dangerous son of a bitch, and he looked it . . . cold eyes, very cold. Everyone knew he couldn't leave the state for fear of being arrested for crimes he'd committed elsewhere. By then the Gaming Control Board and the Tax Commission had begun taking a hard look at such people in an attempt to keep the bad elements out of the gaming business. (That's why Pechart had been denied a license.) As a consequence of all this scrutiny, Frankie Frost backed away from the deal.

No license

Howard Farris was the visionary in all this. He was the real promoter putting the deal together, and he and Harry were the ones who wanted me in on it. Between them they put up my end of the money — thirty thousand for 3 percent of the joint. (It didn't take long to pay them both back, as the place made money from the very beginning.)

We bought the business from Baldy West, but the building was still on a lease from the Petricciani family, who had to OK everyone who was going to be on the license. Mrs. Petricciani felt that since her son wasn't in on

the deal, I shouldn't be either. She also continued to be bitter about my failed marriage with her daughter, and she refused permission for me to be on the license. I came in as a partner anyway. Several years later, when Grant Sawyer was governor, I had to go to Carson City to talk to the Gaming Commission. I explained the situation, and my predicament was overlooked — I was allowed to own 3 percent of the Palace Club without ever holding a license for it. Nothing further about the matter was ever said.

*Tight
machines*

When our group opened the new Palace Club in 1955, we had a hundred and fifty slot machines, eight twenty-one games, two crap games, a roulette wheel, and a keno game. My responsibility was running the keno game, and I worked one shift in the pit. Jack Guffey, Howard Farris, Cliff Brady, Harry Weitz and myself were the main pit bosses. Louie Rosasco ran the bar and the restaurant, and Iacometti ran the slots. The other partners were basically inactive.

(As a pit boss, I took pleasure in being able to put a lot of young people to work at the Palace. Many went on to bigger and better things: Phil Hannifin is now senior vice-president of the Fitzgeralds Group; Noel Manoukian became a supreme court judge; Dr. Roger Ferguson did cancer research work at the University of Utah; Ron Einstoss, who has since passed away, was editor of a local paper; Dave Mathis became a lawyer; and there were many others.)

Harry Weitz was the partner who was pretty much in charge. He made most of the decisions, and he chewed everyone's ass but mine on a regular basis. Nonetheless, the place continued to operate almost the same as it always had. Nothing new was ever put in. The games and the slot machines and the restaurant, which consisted of about ten booths, always stayed the same. There were just too many partners to get any changes made, and they always seemed to be at loggerheads.

The partner who ran the slot machines, Louis Iacometti, was an old-timer who at one time had worked for Graham and McKay. He believed in just throttling the customers with tight machines set at 14 and 15 percent. Even if you were cheating, you'd have to be a damn fool to play those machines — the percentage was just so strong for the house. I tried to talk him into loosening up the percentages, but I didn't have much luck.

The slot machines, which were mostly dimes and nickels, got very little play. They only dropped about five thousand a day at the most, with the keno and the pit both dropping about twice that amount. The keno limit then was five thousand, and the maximum twenty-one bet was two hundred, although we allowed some of the bigger players more action. I worked hard during that time to build up the keno game, and I'm sure we had the best game in town.

*A bit on
graveyard*

While at the Palace, I joined several guys from the club in a new venture at Lake Tahoe, along with a few new partners, including Leon Nightingale, Ad Tolen, and Conrad Priess. We bought the Tahoe Plaza right next to Harrah's at the lake. Although it was a great location, there were too many partners involved, and the place never really seemed to fly. One thing that hurt us was a keno ticket that hit on graveyard for twenty-five thousand. Everything seemed to be on the square, but it was the only ticket on the race, and it created a lot of controversy.

We held a meeting over at the Stein, which Leon Nightingale owned at the time, and everyone agreed: "We'd better get rid of the thing." It was thought that Bill Harrah might buy it for a certain price, but I thought I could get more. I called Bill, and sure enough, he went fifty thousand higher. I ended up getting a nice piece of change as my share, more than I had put up for my 3 percent of the Palace.

*A good,
clean joint*

The Palace Club was a good, clean joint, and we did a good business in spite of our mired-down partnership. The hotel had about thirty-five rooms, and it competed with the Overland across the street, the Golden Hotel, and the Mapes. Neither Harrah's nor Harolds, the two other big joints, had rooms as yet.

There were still a lot of good players around who had come in to the Palace before the war: car dealers from San Francisco, and a lot of rich Jewish people from the Bay Area who had played at the Twenty-One Club. Harry Weitz and I just romanced the hell out of them, and whole groups would come up and stay for four to five days.

A lot of Basque people also used to play at the Palace Club. A big Basque who owned a ranch near Mono Lake would bring thirty-five

to forty of his people in after sheepshearing time. First they'd go to a Basque place for dinner, then they'd come into the Palace Club to play twenty-one. The rancher and all of his henchman, mostly relatives, would sit there and blow thousands of dollars.

With all the business we were getting, we were able to keep a good bankroll up; we never had to borrow money during the slow months as old man Petricciani had done before the war. We were open twenty-four hours a day, and we ran three shifts, but there were no formal financial statements: the bookkeeping was just done on a daily, hand-written basis. And all of the action — counting of the money, decision making, discussing the day's events — took place in the counting room, where all the money was. (In those days a lot of joints were taking money off the top, and that's probably the main reason why partners who own more than 5 percent in a casino are no longer allowed to count the money.)

The Palace Club remains a great part of my gambling experience — a total of fourteen years on that corner. During my last years at the Palace, all of my knowledge and experience seemed to come together. I had never felt more confident handling people, but I was getting anxious to test some ideas that were stifled by our many-headed partnership. When a new opportunity arose, I was more than ready.

Part
Three

THE RISE
OF THE
CAL-NEVA

17

A Partnership

IN 1962, AFTER THIRTY years in gaming, my greatest opportunity finally arrived. Howard Farris was not getting along with the majority of the partners in the Palace Club, and he joined a group that was putting together a deal to buy the Club Cal-Neva. The group included Leon Nightingale, who was part of the Contratto partnership that then owned the Cal-Neva; Jack Douglass, who had owned a slot machine route and was an all-around businessman; John Cavanaugh, another good businessman; and Doug Busey, a lawyer who was working to finalize the purchase.

Howard brought me in on the deal; and, due to my solid reputation, Leon and Jack were tickled to get me. Twelve-and-a-half percent of the Cal-Neva cost me \$20,000. (For my 3 percent of the Palace, I received \$35,000.) Leon Nightingale put the deal together, and in the end he had 30 percent of the club; Jack Douglass and John Cavanaugh had 20 percent each; and Howard had about 12½ percent. The five of us sat down and talked about how we would put the place together. We decided we needed another partner with gaming and pit experience, so we asked Ad Tolen to come into the business, and Ad and Doug Busey got small percentages.

*Someone
has to be
responsible*

When we bought it, the Cal-Neva had been closed for two years, and it was really rundown and dirty. As I had at Harrah's, I assumed the role of "clerk of the works," supervising the cleaning and remodeling of the place. Every day for two months I hauled out truckloads of grease and trash in my old Dodge Power Wagon.

As originally remodeled, the space occupied by our current executive offices was

divided into about a dozen rooms where we occasionally put up customers who didn't have a place to stay. The restaurant was on the main floor, and we had about two hundred slot machines, eight twenty-one games, two crap games, roulette, and a keno game. The receiving area, the hard and soft count, and the slot shop were all located in the basement, as they are today. With around a hundred employees when we opened, the nut was twenty or twenty-five thousand a day. It was a very lean operation — about as close to the bone as you could get.

We opened on the first of April 1962, and the joint was an instant success. Many places where I had worked had employed shills, but the Cal-Neva never needed them. The partners were well known around town, and a lot of people who knew us came in to play. Fortunately, unlike at the Waldorf, people who came in to see me stayed and would return, because we had the right set-up from the beginning. We were selling food and drinks at the right prices; the place was clean; we never gave people too much credit; and we tried to take care of everyone.

The partners all knew what they were doing, and everyone worked hard. I played the part of the casino manager, but I knew nothing about the restaurant and the bar, and I never interfered in their operation. Leon had a lot of bar and restaurant experience, so he managed ours when we first opened — he developed the cheap food concept, with prime rib at \$1.99, and ham and eggs for 49¢. (Eventually we went to 69¢ for ham and eggs, then to 89¢, and finally to 99¢. Just a fifty-cent increase in thirty years!) [laughter] Since Jack had operated a slot route and had some slot machines over in Tonopah and Ely, it was decided that he would be in charge of the slots. Ad Tolen and I were to be in charge of the pit, with keno as my sole responsibility, and shortly after we started Ad also took over the cashier's cage.

One of the biggest problems we had in the beginning was jealousy between the different departments. We worked hard to eradicate this, and to encourage people to work together as a cohesive unit. The people in the slot department wouldn't listen to the pit bosses, and vice-versa. Eventually we had to pick a person and say, "Well, he is the boss. So if you have a problem, go to him." Someone has to be responsible at any given time to make a decision, and the shift managers were given that authority. If a shift manager

has a problem making a decision, he can go to the general manager or the chief financial officer; but if he does that too often, he might not be right for the job.

During those first years the partners spent a lot of time working on the floor to make the joint go. All of us worked six or seven days a week, and always more than eight hours a day. We would wait until things slowed down during the winter to take vacations.

Adjunct operations

In 1967 we made a big move, purchasing the Club Cal-Neva at Lake Tahoe from Frank Sinatra. (The Cal-Neva at the lake was the original, and the people who owned it had later opened the Cal-Neva in Reno. Both clubs were eventually sold, but each retained the Cal-Neva name. That's how there came to be two Cal-Nevas.) We did some heavy bargaining, and I think we got it for less than a million in cash, which came directly out of our bankroll. The place was in pretty bad shape and in dire need of new slot machines, so I traded the franchise on the eight-spot slots¹ I had developed to Si Redd in exchange for 185 new machines, which probably would have cost about fifteen hundred apiece at that time . . . a great deal.

Shortly after we opened the Tahoe Cal-Neva, we decided to build on a hotel with Lud Corrao as the general contractor. Lud worked so fast it seemed like he was completing a floor a week. When he got to the top floor, there was snow on the ground as deep as the second floor, but Lud just kept on building. He'd be up there in the wee hours of the morning heating the cement with blow torches so it could be poured. It was amazing how he got that place built!

We did have some problems with the electricians, who were trying to slow the job up in order to make us pay more than it was worth. We called these people "fleas." Back then, draining as much as possible out of a contract by stringing the job along was a common practice. Now we do most of our remodeling in-house. We have a lot more control that way, and we have no problems with unions.

A lot of people from the Cal-Neva in Reno worked up at the place in Tahoe, and we jockeyed schedules around quite a bit to accommo-

¹The development of the eight-spot slot machine is discussed in Chapter 19.

date everyone. My son, Greg, first broke into the business as a twenty-one dealer up there. In the long run, driving those sixty miles round trip on the steep mountain road damn near did everyone in. I just hated that drive.

We sold the Tahoe Cal-Neva to the Highland Investment Company for a \$4.5 million profit. Highland Investment took over the place in September and lost three million the first month, whereas we had made three million in the three prior months. John Brevick, who had been a shift manager up there, stayed on for a while; but when he realized what poor management they had, he came back to work for us at the Cal-Neva.

In about 1978 the Cal-Neva got involved in opening the Comstock Hotel and Casino. The Comstock was initiated by Jack Douglass — it was his idea, and it looked like a good one. When the Comstock first opened, the Cal-Neva contributed a lot. We trained a lot of dealers in our dealing school, and we sent as many of our top-notch people over there as we could without weakening ourselves too much in the process. These were people that we didn't want to lose, but with one or two exceptions, we never got any of them back.

I quickly became disenchanted with what they were trying to do with the Comstock, and I traded my interest in it to Bill Thornton for his ranch on Holcomb Lane, not far from my house. Later Bill sold his interest at a big profit, and some of the other partners sold out as well, leaving the Douglass family as the biggest partners in the Comstock.

*Friends and
adversaries*

Not long after we opened, Doug Busey had a heart attack and died, and we bought out the Busey family's interest in the club. Howard Farris was the next partner to drop out of the action due to some heart problems. Once he dropped out he never returned, but he continued to support me through the years. When Howard became ill, Ad and I took over all the gaming operations.

Howard Farris was a good partner, and he was a valuable mentor — calm, smart, and gentlemanly. From the beginning of our relationship, which began when I first went to work at the Palace Club, Howard pushed me to be more assertive and friendly with players. I would hang back waiting for someone to ask me a question, and



Leon Nightingale (l.) and Jack Douglass (r.) congratulate a Cal-Neva keno winner.



William C. Thornton
"Bill is a great partner and a great friend to me."



Ad Tolen

"Among the Cal-Neva partners, I was closest to Ad Tolen, and our friendship was strengthened through hunting and fishing trips."

Howard would nudge me and say, "Why don't you cut into that guy? Go talk to him."

"But I don't know him, Howard."

"That don't make no difference. Go talk to him anyway."

Following Howard's guidance, I gradually began talking to customers. Maybe Howard went too far, because now I'll talk to anybody. [laughter] Howard died about five years ago. His wife, Pauline, is still one of my dearest friends.

Although John Cavanaugh was one of the major partners, he never participated much in the day-to-day operation of the business. As a consequence, he was well-liked. [laughter] John was not involved in any of the controversy surrounding the partnership. Unfortunately, he was killed in a car accident in the early 1970s. His interest in the Cal-Neva eventually went to his daughter, Barbara Cavanaugh Thornton, who is a professor at the University of Nevada. Her percentage of the partnership is now under the stewardship of her husband, Bill Thornton, a lawyer who continues to be a great partner and a great friend to me. Bill is a very civic-minded individual who does a lot to promote our organization in the community.

Jack Douglass and Leon Nightingale were both good businessmen; however, Jack hated a nickel because it wasn't a dime, and Leon always took a prudent, middle-of-the-road stance. My approach to the business was very different from theirs. I've always been a risk-taker, willing to bet a lot to win a lot, believing in high pay-outs and low percentages. From the first day I stepped into a gambling house, I've believed that in order to get, you have to give. I adhere to the biblical principle: "Cast thy bread upon the water and it shall return to you sevenfold."

Because of our different approaches to the business, problems among the partners began brewing shortly after we opened. Jack, Leon, and I had strong personalities, and we clashed over how things should be run. One of our first disagreements concerned buses. Douglass hired a Filipino guy to bring in fifteen to twenty bus loads of Filipino gamblers on Friday and Saturday nights. (These were

primarily field workers from the Sacramento area.)² This increased the head count, but buses were expensive, and we weren't making much money from the passengers — many would come in just to take advantage of the freebies, and they crowded everyone else out. Finally we put an end to that deal. In retrospect, it probably wasn't that bad a thing, because bus people continued to be loyal customers long after we terminated the bus program.

Jack was a real entrepreneur, but we never did seem to see eye-to-eye about anything. About six months after we opened, he and I got into another argument, this one over the slot machines. He wanted to keep them tight, keep the percentage high on them. I wanted to loosen them up to attract more customers and get them to bet more. Subsequently, Jack gave up the slot machines, and Ad and I took them over.

Although the joint was always busy, we failed to make any money the first year — our profits only amounted to about five hundred dollars. Other than splitting up the profits, the partners were each paid thirty-five dollars a day in salary. In the third year of business we adopted a new pay scale, with salaries based on percentage of ownership. I ended up making about eighty-five thousand a year plus my percentage of the bottom line. Ad Tolen's percentage was small, so his salary was also small, even though he was doing more than his share of work. I thought this was inequitable, but Jack and Leon didn't agree with me.

² In the 1920s and 1930s, Filipinos, like the Chinese and Japanese before them, provided cheap labor to harvest crops in the Pacific West of the United States. During this period thousands of men were recruited to work in agricultural fields, and migratory labor camps by the hundreds sprang to life.

Filipino agricultural workers were considered "aliens of the brown race." They were socially isolated and confined primarily to their camps, where they lived a predominately bachelor existence. Most never returned to the Philippines, but they would faithfully send a portion of their scant wages home to their families. What remained was spent on entertainment, and that meant gambling. Many from northern California would regularly go to Reno, where they would bet all they had, and either win big or lose everything. This was how they dreamed; this was their form of hope.

There remain a few Filipino labor camps in northern California. They are inhabited by old men who continue to work in the fields, and continue to visit Reno to "dream." (Source: Maria Saldavia Adams.)

There were other problems. In 1980 we expanded across the alley, taking over the whole adjacent corner of Second and Virginia. By doing this, the Cal-Neva almost doubled in size, and we opened up new slot, pit, keno, cage, and bar areas, along with a new restaurant, the Hofbrau. We also opened a cabaret, which was an instant and total flop. I had wanted to put a race and sports book in the space, but my partners were against this because of the risk that the house takes in booking sports — sports events are much less predictable than casino games. I got the sports book that I wanted, but it was located in the small area where the poker is today.

In spite of all our disputes and disagreements, the club was successful. We were making so much money . . . Money isn't everything, but damned near! [laughter] But the differences that I had with Jack and Leon were a constant source of aggravation within the partnership, and a threat to its effectiveness. Finally, in 1986 Jack Douglass and his family sold out of the Cal-Neva, ending a partnership of more than twenty-five years.

Among the partners, I was closest to Ad Tolen. Although he and I had completely different personalities (he was somewhat introverted), we trusted one another, and our friendship was strengthened through hunting and fishing trips.

Ad had broken into the business down in Mexico and Los Angeles, and had learned to deal the wheel. He was a good roulette dealer, but he was colorblind and couldn't differentiate between the check colors. So he had his own special checks made, and he took them with him wherever he went to deal. When I first knew him, he was working at the Fortune Club around 1939. After the war, he came to work in the Palace Club as a pit boss, and I found him to be a very honest, steady, reliable, meticulous kind of man.

Ad wanted everything perfect all of time — no matter what a person did, from dealing the wheel to being a porter, he wanted it performed to perfection. We made great partners: he paid attention to detail, and I paid attention to the creative process. And we always covered one another, never taking vacations at the same time, always enhancing one another's strengths, in perfect balance. Ad died at his desk in the club two years ago. He died as he lived — working. He is sorely missed.

People Who Made it Work

WHEN WE OPENED the Cal-Neva, Ad Tolen and I did all of the hiring for the gaming area. Naturally, I hired people I knew and trusted, and, just as at Harrah's, I was partial to my Montana boys and my Marine Corps buddies. Bobby Ireland, whom I'd known from the Palace Club, was our first keno manager, working with Peck Holly from Montana, Harry Hall, and Pat Iacometti. Pat eventually ended up in charge of the keno.

Clyde Bittner, a very energetic and sharp little guy who had come to Reno with me from Montana, went to work as a swing shift manager. Hughie Connolly was another one of my Montana cohorts, and he became the mainstay of the graveyard shift at the Cal-Neva. Hughie had first worked for me when he was nineteen and was well-known as a boxer throughout the state of Montana. He later joined the Marine Corps with me and was stationed in the South Pacific fighting the Japanese, performing numerous acts of heroism: he was a fearless man.

In the casino business, Hughie's strength was his ability to get along with people, and he really made an effort to teach the young bosses how to handle themselves with customers. It's not always easy to get along with people when they're gambling, especially if they're losing. When you can learn to get along with a losing customer, you're learning the basics of the business.

Two other top managers were Ernie Hastings and Johnny Howells. Johnny had also been in the Marine Corps with me, and he came to work in the Cal-Neva the day it opened. Johnny has since retired and has two sons, Scott and Tommy, who have succeeded him. I'm proud that the lineage has been carried on.

A guy by the name of Ralph Shupe was on the periphery — we paid him on a short-term basis to plug into his knowledge. Ralph was an ex-hard rock miner from Southern California with no education, who chain-smoked cigarettes, wore glasses with lenses as thick as Coke bottles, and stuttered. But his appearance was deceiving. Ralph had a fantastic mind, and he had given a lot of thought to keno.

Ralph wrote a book for keno managers, and he charted the correlation between percentages and changes in pay-offs. (I called up some keno managers that I knew, and we sold copies of the charts for fifty dollars apiece to a number of casinos here and in Las Vegas.) Ralph was fascinated by statistics. He even calculated how much money he would have saved if he had never smoked, plus the interest that would have been earned on it over the years. [laughter] Smoking finally killed him. Ralph drank all of the time too, and he liked to play twenty-one while he drank. He was as good a card counter as I've seen, but after three or four drinks he couldn't count anymore and he'd go broke.

I introduced Ralph to Pat Iacometti, and Pat was inspired by his knowledge of keno odds and percentages. Later, Pat was among the first gaming people in Reno to use computers in the business. He also helped in developing the parlay card percentages. Pat was way ahead of his time, and he probably has as much knowledge about keno as anyone who ever lived. A lot of the procedures we use in keno today were things that Pat started. Pat's nephew, Tony Iacometti, has taken over for Pat, and he does a fine job for us.

Willy Stromer did a remarkable job with computers in the slot and keno departments, and he still continues to figure out new machines. Joe Bliss, another of our top keno men, went to work for me when he was attending the university. Dick Uriarte, a Basque kid from Mountain City, has worked for me for a long time and he is in a key position of trust, handling all the money.

Art Steagall was the first head of marketing, under the direction of Leon Nightingale. We've had several successors to Art: Norm Nielson, Charmaine La May, and currently Barry Phillips, who has put together a radio sports program for the casino called the "Cal-Neva Line." The marketing department is essentially the same size as it was when we first opened.

*"Those sons of
bitches are
crazy"*

Bill Magee, our security manager at the Cal-Neva for many years, was a whole story by himself. About twenty-five years ago my son Greg, who was in high school, was out driving around with a friend of his on a Saturday night when they got in an argument with a carload of other guys at a drive-in. When Greg and his friend left the drive-in, these other kids followed them, pulled them over to the side of the road, and brandished a gun. As Greg was getting out of the car, one of the guys hit him in the face and broke his nose.

Greg and his friend reported the incident to the police, but nothing happened. So I called up someone I knew at the police station and gave him a description of the car, and said, "Anyone who can find this car will get a hundred dollars." The next day, a short, modest looking guy came in and asked, "Are you Mr. Nelson?"

"Yes."

"Will you really give me a hundred dollars if I find that car?"

"Yes, I'll give you a hundred dollars if you find that car."

"OK, I will." Late the next day he came in and told me he had found the car and the guys who were in it.

"Well, who are they?"

"They're four soldiers from Stead Air Force Base. After they left your son and his friend, they got in a fight someplace else, and now they're in the brig."

"Well, Mr. Magee, how do you know that they're the same ones who tangled with my son?"

"I got their confession." [laughter]

I handed him a hundred dollar bill, and he said he'd like to come to work for me. I put him in security.

Some of the things Bill did for me were just unbelievable. He was slightly built and not very intimidating, but he could bring down guys twice his size, and he was renowned for being able to get confessions out of people. If I caught someone stealing, I'd just lock him in a room with Magee, and he'd confess. [laughter]

Once when Hughie was running the graveyard shift, a guy past-posted the wheel for five bucks on a straight-up bet which paid \$175. He got away with the money, and Hughie and I were furious. The following night the cheat came back into the Cal-Neva to cash out checks that he'd stolen from past-posting the wheel at other casinos.

I spotted him at the cashier's cage, and went over to him and said, "You're not going to cash those checks in here."

I followed him out, and grabbed him and got a choke hold on him. Hughie had seen the whole thing, and ran out after us into the alley. When he realized it was the same guy that had ripped him off the night before, Hughie just went crazy and started punching the guy while I held him down. It was in the summertime, and a lot of people were milling around, and they all started yelling, "Leave him alone, you bullies! Leave him alone!" We were creating a scene, so there wasn't much I could do except release the guy.

About then Magee appeared on the scene and asked, "What do you want me to do?"

"Let him go."

Well, Magee thought I had said "Go!" He chased the cheat down the alley to Harrah's Club, where the guy had two of his muscle men waiting for him. Magee sprayed one in the face with a Mace gun, kicked the other between the legs, and continued after the thief. He chased him through the Nugget, and outside the kitchen the thief ran into a cook carrying a pan of gravy. Thief and cook slipped and fell in the gravy . . . [laughter] . . . and when Magee leapt in to handcuff the guy, the cook banged the thief over the head with the empty pan!

Magee dragged this big hulking guy back over to the Cal-Neva and asked, "What would you like me to do with him, Mr. Nelson?" I had no choice but to put him in jail.

Several months later a friend of mine called from a casino in Las Vegas. The same guy had showed up down there. He was at the roulette wheel waiting to make his move when my friend went up to him and said, "You'd better not lay that bet down."

The wiseguy responded, "Oh, yeah? Well, what are you going to do about it?"

"I'm going to do the same thing they did to you at the Cal-Neva."

"Oh, no. Those sons of bitches are crazy!" [laughter]

Once when I was going to Washington, Magee told me to say hello to a certain senator for him. When I passed on the greeting, the senator said, "Is that son of a bitch still alive? When I was a district attorney in Salt Lake City, he worked for me against drug dealers. He brought so many people down, I don't know how he could still be alive!"

Bill was one of the great characters who worked in our business, and he had a lot of good connections with the FBI, Gaming Control, and other law enforcement agencies.

After acting as the Cal-Neva's manager myself for ten years, I finally let up and delegated some authority to other people. John Brevick, who gained prominence at the Tahoe Cal-Neva, was elevated to casino manager in the early 1970s, freeing me up to spend more time creating and planning expansion. Several years later we felt we needed a change in leadership, and I had three guys picked out who would make good casino managers: Bill McHugh, Tom Howells, and Ken Adams. The board couldn't arrive at a consensus on the matter, so I said, "OK then, let's call them a management unit. Let's put these three guys in and rotate them from shift to shift until they all have some experience." When that idea was vetoed, we finally decided that Bill McHugh would be the Cal-Neva's new casino manager.

I met Bill McHugh through my daughter, Gail. She had befriended Billy while they were both attending the University of Santa Clara, and one day she brought Billy and some other friends home to spend the weekend with us. Bill came into my front room, with hair down to his shoulders, wearing a black cowboy hat with a puppy in his arms. I walked into the living room and saw Gail with her hippie friends, and I yelled out to my wife, "Pat! Get the shotgun!" [laughter] I'm still kind of a redneck, and it was hard for me to swallow the hippie concept. I haven't gotten over it yet.

Eventually Bill graduated from Santa Clara and wrote me a letter asking if he could come to work at the Club Cal-Neva. I put him to work as a dealer, and by the time Gail came into the club Billy had made pit boss. (They were working graveyard at the same time.) Eventually Billy was promoted to graveyard shift manager, and from that point he was promoted to casino manager. Now the two top people who are responsible for the Cal-Neva's day-to-day operations are Bill McHugh, the chief executive officer, and Jeff Siri, the chief financial officer.

I have always believed that people who do the same job should get the same pay — I mean, I don't think a poor dealer should get ten dollars a day less than a good dealer. If a person is so bad that he

deserves that much less, he should be fired. But from the very beginning we gave our key people bonuses when profits warranted it. And because resentment over unequal pay can lead to thievery and turmoil, these bonuses were distributed evenly.

Later, from Sam Boyd in Las Vegas, I got the idea of a system in which all employees participate in the profits on a percentage basis. Although my idea was not well received by my partners, everyone eventually went along, and we put this program into operation in the early 1970s. Our bonus system is a great motivator — regardless of what department they are in, employees are apt to look at the whole picture, since their bonus comes from the profits of the organization as a whole. This minimizes petty jealousies between departments, and it results in the help sharing rather than shielding information. Unlike the situation in bigger corporations, the open dialogue created among our employees lessens the need for layer upon layer of meetings.

19

Riding the Slot Machine Wave

THE CLUB CAL-NEVA pioneered a number of changes in the design and application of slot machines: We were among the earliest casinos to switch from mechanical to electrical-mechanical machines; we introduced some of the first progressive jackpots; we introduced jackpots paid incrementally over an extended period; we offered a single large jackpot that could be won by any of several machines linked together (the precursor of Megabucks); and we had one of the first loose slot carousels. The Cal-Neva didn't initiate all of these things, but we got out quickly with them because we were able to manufacture our own machines in-house. But the change that truly revolutionized the industry occurred outside the Cal-Neva, and it was beyond our ability to replicate in our shop. This was the computerization of slot machines and the introduction of video poker games by Si Redd and IGT.

*The eight-spot
slot*

When we opened, all our slot machines were the mechanical kind. A few months later a fellow who'd been a bookkeeper for me at the Waldorf got the first Bally franchise in town, and we put in forty electrical-mechanical Bally slots at 4 percent. The Ballys ended up doing much better than all of the old Pace and Mills machines. They had a few glitches in them, which we worked out; then they just took off, making twelve or fourteen hundred a month, which was unheard of for nickel machines.

In the mid-1960s I started working with our head mechanic, Phil Waterman, who was very smart. Using only parts from old slot machines, he could do marvelous things. I'd throw him a bone, and he'd make me a dog. [laughter] By combining two mechanical machines to create

an eight-reel machine, Phil and I built something we called the "eight-spot slot." We set it at the same percentage as an eight-spot ticket on a Keno game (about 12 to 14 percent). I put a quarter machine on our floor, and then I decided to build eight-spot slots and lease them out to other casinos on a 25 percent participation basis. Each took two coins to play: the nickel machine paid a maximum of \$2,500; the dime machine, \$5,000; and the quarter machine paid \$12,500, one of the biggest payouts of any slot machine of the time.

The Eldorado in Henderson and the Sahara at Lake Tahoe each took a machine. In Vegas I put one in the Mint; and I had a quarter machine in the Golden Nugget which won \$22,000 before it got hit for \$12,500 and was taken out by the boss, Buck Blaine. Then, while I was on a hunting trip in Montana, the quarter machine in the Cal-Neva got hit twice for a total of \$25,000. In my absence, my partners took it off the floor. I was bitterly disappointed, feeling that my best efforts were being undermined by my own partners. These machines attracted a lot of attention, and in the long run they could be winners.

*Ballys and
more Ballys*

Dick Graves, owner of the Nugget in Sparks, was very bright and innovative, always looking for a gimmick and always willing to try anything new.

He and I were friends, and we spent a lot of time talking about slot machines. Dick developed the gigantic Big Bertha machines. He had a few of them in different casinos on a participation basis, and when he decided to retire he offered the Cal-Neva his Big Berthas and his interest in the Bally franchise for \$40,000. True to form, my partners vetoed the idea. [laughter]

I was interested in taking over the Bally distributorship myself, but I was discouraged by partners who felt that it would take up too much time that I should be giving to the Cal-Neva. Three months later Dick sold the Bally franchise and the Big Berthas for \$70,000 to a guy from Mississippi named Si Redd, who was to become the founder of IGT.

Right after the purchase, Si came up to my office and asked me, "How do you like those forty Ballys you've got?"

I brought out the books and showed him the figures: "Here's how much they're making. They're good machines."

"I've never had anyone show me their books."



Si Redd (r.) shakes hands with Gov. Robert List at an early-1980s reception.
"From the beginning, Si and I were open with one another, and we formed a great relationship."

"Well, I don't have anything to hide."

From the beginning, Si and I were open with one another, and we formed a great relationship. He was one of the few who understood what I was doing: loosening up the slot machines to make more money. Si was a great salesman, and he often used my name to sell his machines, saying "I'm selling Bally slot machines, and they're the best in the world. If you don't believe me, go ask Warren Nelson." I really *did* believe in those Ballys, and I was not afraid to tell people.

The evolution from mechanical machines to electrical-mechanicals probably did more to change the nature of the slot machine business than anything that's ever been done. The maximum payoff from a mechanical was twenty coins that dropped from a slide; so if a player won more than twenty coins, he waited until slot personnel verified his jackpot and paid him the remainder in cash. This didn't just slow up play, it kind of suggested closure, an end to the game . . . it tempted the customer to cease play and walk out the door with his winnings. The new electrical-mechanical, on the other hand, had a hopper that could hold and dispense up to two hundred coins directly into the pay-out tray, increasing the probability that those coins would be played back into the machine. Play increased dramatically.

Another innovation that appeared in the electrical-mechanical machines soon after their introduction was multiple coin play. (The old mechanicals would accept only one coin per pull.) This increased the amount of money that could be taken in on any given pull of the machine, which, in turn, increased the drop.

During the first years we were open, we just continued to add more Ballys, more Ballys, more Ballys, loosening them up and cramming them in wherever we could. We even moved the restaurant off the main floor in order to make room for more slot machines. And in the early 1970s we bought the Western Union building on Center Street and expanded into that area, which gave us enough space for about five hundred slot machines, about five more twenty-one games, another crap game and another wheel.

A couple of other early innovations had an impact on the gaming business as a whole. We put four or five machines on the floor which we referred to as annuity machines. You could win \$100,000 on one, but it would be paid out at ten thousand a year for ten years, and the

Cal-Neva would earn interest on the unpaid portion all the while. Ad Tolen, one of the smartest men I have ever known in the business, was opposed to the concept because he hated owing money to anyone. However, I eventually prevailed, and the machines, called the Key To Your Future and the Vacation Machine, were big successes.

In the early 1970s we also created the Growing Jackpot machine, a predecessor to today's linked progressive machines. Two of these complexes of linked slot machines were put out on the floor, with shared jackpots of \$64,000 apiece, recalling "The \$64,000 Question," a popular television quiz program of the 1960s.

Loose carousels The introduction of the loose dollar carousels probably had the greatest monetary impact on our business. I saw the first dollar carousel at a casino down in Las Vegas. They had thirty machines grouped together in a circular pattern. About ten of the machines were set at around one or two percent, and the other twenty were set at around twelve or thirteen percent. Several shills were always playing the real loose machines, and they'd just scream and holler every time they hit a jackpot. [laughter] Their business grew at a phenomenal rate.

Other little hole-in-the-wall joints like Foxy's started following suit, all doing a hell of a business, and I became convinced that it was the way to go. In May of 1976 we put in our first loose dollar carousel, the Silver Express. It was an instant success, increasing our drop by 40 percent over the next year and a half.

We were the first operators to understand the value of the *sounds* of winning, and to enhance the success of our carousel we installed loud drop bowls. (Drop bowls are the metal trays that catch the coins when your slot machine pays off.) Too loud a sound creates a discordance similar to a machine gun firing; too soft a sound fails to create enough excitement. We were searching for just the right sound: silver dollars from frequent jackpots clanging down into big metal trays; winners yelling in triumph, creating more commotion and more play . . . there is nothing quite like it.

Bill McHugh developed the "Rails to Riches" machines in keeping with the railroad theme that he's adopted from me. Another carousel that I created with the help of Willy Stromer was the Bandstand Carousel that had all the jackpots linked to a computerized synthe-

sizer. When a jackpot hit, a different tune was played for each individual machine.

*Si Redd,
computers,
and
Megabucks*

During the 1970s the transition from electrical machines to fully computerized machines began. Willy Stromer, one of our top slot managers, was a computer innovator. He came to work for us in 1972, taking over Phil Waterman's position, and he began to work with computers in 1975. Willy's got a great mind for computers; once he got his nose into one, his whole head followed, and he's never come out. [laughter] Computerization speeded our ability to do such things as figure out percentages on a three-reel machine, with twenty symbols or stops on each reel, making eight thousand ways.

Around 1977, Si Redd sold out of Bally's and formed a new company, Sircoma. He began selling video poker machines, which really took off, growing and growing. Si turned the gaming industry upside down with his video poker machines. There were so many things you could do with a video machine that couldn't be done otherwise.

When Si broke away from Bally's and created Sircoma, he asked me to be on his board of directors. "I think it's going to be a real good thing, and I'd like you to buy some shares," he said. I bought twenty thousand at five dollars a share. I was on the Sircoma board for about a year when we decided to go public and change the name of the company to IGT, International Game Technology. Things were really looking good, and I bought another hundred thousand shares. It was definitely a good buy!

Si and I eventually started talking about what we might be able to accomplish with keno. I wanted a bunch of keno machines located in different bars around town that would all be connected to one jackpot. A customer would put his money in, and a ticket would be printed out. We had a prototype made, but it just didn't work out. Next we tried to make the English hazard game, which used three dice, into a machine. It was going to be a quarter machine set at sixteen-and-two-thirds percent, with the highest payout being eight hundred dollars. But the technicians who were supposed to be working for us started buying up all kinds of wire and equipment to make a machine of their own, so that deal fell through as well.

Although my ideas for a keno machine and an English hazard machine had fallen through, I kept working with Si and new people he brought in, such as Chuck Mathewson (a real entrepreneur who knew how to get money, and did), Bud Russell, and Peter Dickinson. Plans for a new progressive reel machine began to take shape. This was the beginning of Megabucks, one of the most fantastic things that ever happened to slot machines — they're a boon for every joint that takes them.

In the Megabucks system, the house doesn't put up any money and it incurs no risk; however IGT takes a percentage of the drop, which they use to build a jackpot. When the jackpot hits, IGT gets the money that has been set aside. They earn interest on the lump sum, while the customer is paid what he won in equal increments over twenty years' time. Right now we've got a \$6 million jackpot sitting on the floor, waiting to be hit. It's been as high as \$8.7 million, and it could go as high as \$9 million, which is the limit. Since the dollar Megabucks were introduced, they've also used the same concept for nickels, dimes, quarters, and halves, and all have been great successes. The beauty in Megabucks is that no one is actually taking a risk: the percentage is set.

The Megabucks concept has been further developed so that it is a huge part of the slot market, and in the bigger corporations it has become an in-house thing. For instance, in his Mirage, Steve Wynn has linked machines together in a system he calls Fast Bucks. The Boyd Group has quarter and dollar machines linked together in all five of its casinos. I can visualize slot machines eventually being linked together all over the United States, from Atlantic City to Colorado to Nevada and to anyplace else. There would be one *giant* national jackpot. The only problem that I can foresee is getting the deal through the different state legislatures. If it were done right, there's no reason why the concept couldn't even extend to Australia, Macao, Monaco and beyond.

All of the Cal-Neva's early innovations hinged on the fact that we were able to produce our own machines and set them at whatever percentage we desired. It gave us a real competitive edge, and everyone was coming into the Cal-Neva to try and figure out what we were doing. Right now I would say that over half the machines we have are still our machines, machines that no one else has. We've

been able to overcome a lot of cheating on our machines by using Summit kits.

The computerization of slots has come so far that the Cal-Neva no longer has the technological ability to keep up with IGT, although we continue to design our own artwork for the exterior of the machines, and we can make our own symbols for the reel strips. However, the percentage, the money paid back to the customer, is what's ultimately important, not the fruits and vegetables that are put on the reel strips.

20

The Sports Book

SPORTS BETTING may be the most difficult area to handle in all of gaming. The house should hold 4½ percent on football, with straight bets paying eleven-to-ten. However, these days nobody holds that much over a period of time — there are too many variables and too many sophisticated players. And the volume of sports play has become so big that the potential for loss is enormous.

When you start looking at all of the "what if's" connected to any particular sporting event, you discover that if everything came together wrong a book could conceivably lose over a million dollars in a single day. To succeed you have to be prepared to make that big payoff; you can't be afraid to lose money. My partners were long unwilling to accept these risks, even though I preached, begged, and cajoled them endlessly. But in 1980, with the new expansion, we finally opened our first race and sports book.

Getting started

I had long known that a great deal of money was being bet on sports throughout the United States. Once in Oklahoma I visited an illegal operation which was taking in twenty-five to fifty thousand a day from bets on football games, all being made by wealthy ranchers and oil people. I stood there in awe, wondering, "Where in the hell is all this money coming from? I've got to figure out how to get some of this action."

We in the legal gaming industry have since captured a lot of that activity with legal sports books. But legal books became a viable proposition only after people in the industry successfully lobbied Washington to lower the 10 percent federal wagering tax to 2 percent. Then, shortly after we put our book in, there

was another big lobbying push, and the federal wagering tax was lowered to a quarter of a percent.

At the beginning we were hand-writing tickets, generating an enormous amount of paperwork and leaving ourselves too open to being had. But our first sports book manager didn't want computers; he bitched and cried about the prospect of acquiring them. I went down to Las Vegas to scout around for a new manager, and I ended up talking to Michael Gaughan, owner of the Barbary Coast. Booking sports is something you can't learn in school; you practically have to live and breathe it in order to be any good. Michael had a young kid by the name of Chris Andrews working for him as a ticket writer. Chris is a nephew of Pittsburgh Jack, one of the smartest and most knowledgeable guys in the business, and Chris grew up helping his Uncle Jack. I decided to take a chance on Chris and bring him up to Reno.

About six months later I ran into Michael Gaughan, who delights in calling me an old dinosaur who doesn't know how to run things anymore. [laughter] Michael is a real flamboyant kid, and he likes to get a rise out of people. He said to me, "You guys don't know how to treat your help. I bought twenty cars for my top help for Christmas last year. What the hell did you ever do for yours?"

Chris Andrews was with me, and I turned to him and said, "Chris, what were you making when you worked for Mike?" He gave me a figure. "And how much are you making now?" It was much, much more. Case closed.

Chris has since become a partner in the Cal-Neva, and he's an important player in the business. We need him, and he needs us.

*Switching to
computers*

Switching from handwritten tickets to computers was one of the most important moves we made. It enabled us to continue the expansion of our race and sports book. The computer, of course, has played an equally important role in the financial end of our business, and at a moment's notice Jeff Siri can tell me what we've won in each department, the percentages, and the daily nut. Personally, I have never touched a key on a computer unless I fell against it . . . [laughter] . . . but it's a great tool that I really believe

in. I also believe in getting knowledgeable people to operate our computers.

With the sports book operation fully computerized, at any given moment you can find out how much money has been wagered, what your liability is, and what the worse-case and best-case scenarios are. The only problem is that your top people are so busy at these crucial times that you can't ask them! [laughter] I always like to know where we stand because I enjoy watching the games, and I like to root against the guys who are betting against us.

The line comes from Pittsburgh Jack and from Michael Roxborough. Chris uses computers to track all the money that is being bet; and he combines this information with knowledge gained from monitoring the games, teams, and players to make adjustments to the line as the money comes in. The bottom line in a sports book is a very nebulous thing, because there's no tougher player in the world than a sports bettor.

Tough players or not, our sports book customers have always been maligned a little because they're not very well dressed; but you would be surprised at the number of people who come in wearing an old pair of jeans and dirty tennis shoes, and reach down in their pockets and bet two or three thousand dollars on a basketball game or a parlay card. Anybody who's got a buck in his pocket is welcome at the Club Cal-Neva.

Tournaments In 1982 we made another expansion to the south, absorbing the area that used to be the Waldorf.

We added slot machines on the first floor; we created a new race book area on the second floor (where it remains today); and we moved the sports book into what had been the cabaret space.

That year I got the idea to have a horse handicapping tournament. The entry fee was \$500, and we only had 35 contestants; but we stuck with it, and by 1993 we were getting more than 350 entrants. Our handicapping tournament is a fantastic gambling experience for the contestants, and it fills up the casino and creates action during what was traditionally a slow period. We advertise at various tracks, and people come in from all over the United States and Canada, filling the place up and creating a great feeling of camaraderie for the

many who return every year. We are now doing similarly successful slot tournaments.

We also hold poker tournaments twice a year, and with them it's almost like the old days — there's a group of regulars who participate in all of them. Our poker tournaments are not as big as Binion's at the Horseshoe Club in Vegas, so we don't encounter the kinds of problems he has. For years, Binion just ran the tournaments without ever having a regular poker game; but now he's got fifteen or twenty games making fifty or sixty thousand a day, maybe more. Binion is the best poker operator in the state, and although we've tried to parallel him with our liberal odds, we can't compete.

*"If those bastards
want to gamble . . ."*

About the same time that we were starting the horse handicapping tournament, we also started the Pick the Pros (professional football) contest in the sports book. The first year we lost money, but the contest has been a success ever since, and now we have at least two thousand entrants per season, and the top prize has been boosted to fifty thousand dollars.

Football is the most popular sport among bettors. You can even mark parlay cards while you lunch on bean soup in the dining room of the U.S. Congress! Favorite local teams like the Washington Redskins and San Francisco 49ers engender a kind of betting fever that feeds on itself. During football season all hell breaks loose at the Cal-Neva: the sports book becomes a madhouse, with people jumping up and down, yelling and screaming.

Several years back, Harolds Club opened up a little book called the Hole In The Wall, and they put out a parlay card with lower odds than ours. People were even coming in wearing "Hole in the Wall" T-Shirts. When I found out what they were doing, I said, "Well, if those bastards want to gamble, we'll show them what gambling is all about!" I got together with Pat Iacometti, and we cut the odds on our parlay cards way down. We not only put the Hole in the Wall out of business, but we also had an impact on parlay card odds throughout the state.

Wiseguys

Around 1988 we opened our first satellite, the Turf Club, which we bought outright from a guy named Richard Drake. We've since opened books in the Silver Club, the Clarion, Carson Station, and the Horizon at Lake Tahoe. It takes a lot of volume to make a profit on satellites, so we try to pick places on that basis.

You can't run one of these operations in another casino and afford to give anything up or pay rent — not while holding only 2 percent. If you were to put in your own equipment, pay the help, and buy customers drinks, there wouldn't be much left over in profit; so basically the casinos where we operate satellite books don't directly make any money on the deal — they just end up having one more event to attract customers without having to assume the risk of operating a sports book. We run basically the same line at all our places, with maybe a half-point difference here and there that the wiseguys will seek out.

In sports betting the wiseguys take advantage of mistakes or weaknesses in the line, and if you have fourteen games being played on one day, it's easy to have a little weak spot. These wiseguys will roam around town to the different books looking for a weakness; and when they find it, they'll just jump all over you like a duck on a june bug. They are bright and difficult to combat — you just have to constantly be aware. Some of them are so smart that if they don't beat the hell out of you, they'll at least scare the hell out of you. But these wiseguys aren't cheating; they are just getting the best of you.

Actually, in all of my sixty years in the gambling business, I've found that the sports book is the *only* place a casino has to worry about whether it's going to hold its percentage or not. There are just too many variables. A good sports player and a good twenty-one player have one thing in common: you're not going to hold as much percentage with them as you are with ordinary players. But I *know* that in the long run you will beat a good twenty-one player . . . and I'm not so sure that you can beat a good sports player.

A good twenty-one player is basically a counter working by himself, whereas a good sports player has access to a whole network of specialists in sports betting, operating all across the United States, and he also has access to more information via computers. The wiseguys make a good living betting the sports, and they spend a lot of money on technology to obtain the latest and best information. A

casino can still make money with the sports, but you can't go to sleep.

Most places don't have the stomach for risk that we do at the Cal-Neva, nor do they have the kind of bankroll required to pay off the potential big winners at the sports book. But it doesn't bother me to lose a bet . . . never has. When times were real tough, my stomach may have turned once in a while, but it would take a hell of a lot to make it turn now. [laughter]

Although the sports bet is probably the *best* bet a customer can make in the gambling business, no one can beat the house consistently at any game unless he's cheating. There's an old saying: "The lamb might kill the butcher, but always bet on the butcher." I've been a butcher all my life.

21

Grinding it Out

BARRON HILTON once toured the Cal-Neva with four or five other people, pointing out various features of our operation. He wanted them to see some of the things that made us successful. He said, "Look at all the people in here. Warren sure knows how to run a grind joint!" That's still the Cal-Neva's strength — we are a great grind joint. We cater to smaller players. Nickel slot machines are as important as dollar machines, and we just grind the money out of them. We're a high volume, low margin operation.

Caesars Palace and the Mirage and other casinos try to attract high rollers with give-aways like free rooms and even free air fare. It's amazing, the things some of them do. Enormous suites with televisions in every room, and ice boxes full of champagne and caviar . . . and they'll take fifteen to twenty guys to Alaska for ten days of fishing, and just do everything for them. When I was on the board of the Boyd Group, I questioned the logic behind some of this largesse; but it must pay, or they wouldn't be doing it.

We do the same thing in our own way. Our come-on is 99¢ ham and eggs, \$4.95 prime rib, and lots of free drinks. Up on the top floor you get a jumbo hot dog and a bottle of Heineken for \$1.50, and that is our answer to 6,000-square-foot suites stacked with caviar and champagne. [laughter]

*Treat the
customer
right*

For its size, and for having no hotel to support it, the Club Cal-Neva is one of the biggest money-making casinos in Nevada. Its success is based in marketing. More important than understanding the mathematics of the games is understanding the people who work for you, and under-

standing what motivates your customers. This is the key to the gambling business.

Ours is one of the only casinos in which marketing is not driven by the marketing department, but evolves from the treatment of customers on a day-to-day basis. It boils down to treating the customer right. If the employer treats his employees right and trains them well, that good attitude extends out to the customers. The customers then become loyal to the casino, and they return to seek out the employees that they know will treat *them* right. Simple things are most important: smiling, saying hello, buying the customer a drink, giving the customer the benefit of the doubt, giving prompt service, and not giving the customer more credit than he can afford to lose — along with giving the customer the best deal by maintaining loose percentages, these are the basics of our marketing.

*Keeping it
loose*

I've always had a terrible thing about having empty gaming tables sitting around. When we built Harrah's Club, I put in an elevator that went from the basement and came level with the casino floor. Saturday evenings we'd bring up three crap tables and two twenty-one games to handle the crowds. Then, after we closed on Sunday night, we'd put the tables back in the basement and rearrange the furniture so that on weekdays the place wouldn't look as if it was operating way below capacity.

It's so evident to me — always has been — that we deal in illusion. And you have to give the illusion that the customers are getting something for nothing. They should lose their money like water, a drop at a time. The average player comes in to a casino with a certain amount of money to lose, and eventually he *will* lose that money, whether it takes an hour or twenty-four. But if your operation is to be successful, I believe you have to give the customer some play time instead of instantly gobbling up his bankroll. Loose percentages on the slots allow longer playing time; and when a customer plays for twenty-four hours instead of one hour before he loses his money, he is less likely to leave feeling angry and ripped off. Also, the longer people play, the more action they create with more bodies per square foot. In gaming, action creates action, and the business becomes self-perpetuating.



"We were making so much money Money isn't everything, but damned near!"

To keep the joint jumping, we've also tried a lot of different giveaways . . . and we've always had a loose drink toke philosophy, and anyone can go up and get a free cup of coffee in the poker room. But it's necessary to monitor your giveaways and find the right balance. An excessive giveaway policy can create groups of undesirables who crowd out your good customers, while a miserly policy can be a turn-off for your good player and spoil the air of excitement that's so vital to gambling joints.

In 1977 we opened the Top Deck, which became a focus for my loose percentage philosophy — it's geared less to making a lot of money than to attracting a lot of people and keeping the action going. That concept is embodied in the single-zero wheel, which cuts the percentage on the roulette game in half. I have three single-zero wheels on the Top Deck today, and they've always generated a lot of action.

When we opened the Top Deck, we moved the poker games into it. (Poker used to be on the Copper Ledge, where the peek area is today.) Our poker probably has the only 5 percent rake in the state. We even put in 25¢ twenty-one, 25¢ craps, and 10¢ roulette. By doing this we may have carried the loose percentage theme just a little too far. [laughter] Eventually we had to discontinue these very low table limits because it was impossible to make any money . . . but you have to be willing to take a risk in order to make a gain.

To create a greater volume of play at the Cal-Neva, we continue to strive for lower percentages, lower limits, and cheaper food. We really have nothing else to offer — no hotel rooms, no shows, no gourmet restaurants . . . but the level of success that we've been able to achieve with our philosophy is absolutely phenomenal.

Down in Las Vegas Jack Binion has stretched the limits by letting people bet whatever they want on the crap game, all the way up to ten thousand if you're the right guy. People go into Binion's joint because it makes them feel like a big man to know that they could bet a million dollars on one roll of the dice . . . but this is really just a marketing gimmick. It's *unbelievable* how much business they get, and no one has the guts to follow him. You'd have to have a hell of a bankroll to do it, because you can get beat real good if you get good play every day.

Jack Binion is more willing to take a risk than anyone else in the business. He is probably the best gambler in the state, and he is certainly the most prominent risk-taker. Of course, he doesn't have a corporation to answer to, being sole owner — when he takes a risk, it's his own money. I'm sure none of my partners have that kind of an appetite, and I don't think I do myself. [laughter]

Over time, competition has driven the limits on the different games higher and higher. For example, the keno limit went from a thousand to fifteen hundred, to twenty-five hundred, and then to five thousand. I stayed at five thousand for a while, and then went to ten thousand. Everyone thought I was crazy. When Pick Hobson upped the limit to twenty-five thousand at his club, everyone *knew* he was crazy. [laughter]

I don't believe that further raising the limits of the keno game will attract more customers. Limits are no longer an important factor in keno: we have been unable to promote and expand keno the way we have some other games because keno holds too great an overall percentage against the customer. We got the keno percentage down from 28 percent to 24 percent, but we can't cut it further and still make enough money to cover the nut. Keno just seems to be slowly going down the tube.

You could probably set keno video games at a toll of about 8 percent, and still make a profit, but ours don't get a lot of play for some reason. At the Cal-Neva, customers like the glamour of a live game. (The play on keno machines down in Vegas is great, and some joints down there have up to a hundred machines, all getting a hell of a play; but no place in Reno has more than twenty or thirty machines.)

Although keno seems to be fading, it still adds to the atmosphere of a joint. Some people play keno while their friends or spouses play twenty-one, and people who play twenty-one or slots might like to mark a keno ticket every once in a while. Even if you've got a big cake, people like to see decorations and candles. It's important to keep a good mix of games and entertainment.

*Managing
from the
floor*

The Cal-Neva certainly had the right location, across the street from Harrah's, and we've had the right management — we've always known what we were doing. It rarely happens any more (and it never did here), but it used to be that people who could barely read and write would rise to high positions in the gaming business. Some of them were clearly not very bright. They knew how to deal, and they knew how to say hello and how to treat people, and that was enough — you didn't have to have a degree to run a joint.

The way things are now with corporate gaming, higher education is critical for people in management; and one of the most important things you can do for your employees is to encourage them to learn. But to really know what's going on, it's still important to have had some experience down on the floor. You don't learn how to say hello and how to romance people in school. I'm not talking about making friends (I'm not here to make friends, I'm here to make customers), but by making a customer, if you do it right, you make a friend.

In fact, most of the ideas in our casino are generated from the floor, the real nitty-gritty of the business. In some bigger casinos, however, decisions on where to spend money are generated from the accounting department. A few months ago I was in a place that had spent millions on remodeling, but they had row after vacant row of slot machines going unplayed. These machines were the best that you could get six or seven years ago, and they made a lot of money with them, but the gambling scene changes rapidly. You have to keep pace with what's going on down on the floor.

You can't have someone from the financial department saying, "Well, we already spent too much money on slot machines. These machines are only five years old, and our budget doesn't call for new ones." If your competitor is successful with something new, you throw the budget out the window and go buy whatever is necessary to make money. Our financial man, Jeff Siri, has become casino-wise himself, and that's one of the reasons we have a good operation. Siri is a CPA who has made a point of learning the whole business; but you don't learn this stuff in a minute. The willingness to learn and to put your new knowledge to use keeps a business vital and successful.

I pride myself on recognizing the best in people. Sometimes I'm able to recognize abilities that they are unable to recognize in themselves, and encourage them to tap into those talents; and I've always tried to maintain a close relationship with the people who work for me. One of the bad things about growing larger (we now have sixteen hundred employees) is that I don't know all of our people. In the old days I knew everybody's name, their wife's or husband's name, their kid's names and what grade they were in . . . even their dog's name. [laughter] Up through the mid-1980s, I made a point of touring the joint practically daily. I'd go down to the counting rooms and into the pit, and I'd stop off at keno to see what was going on there; but most importantly, I monitored the slot machines.

I also observed pit bosses and their body language; watched how they walked up and down the pit. Some guys will stand with their arms folded, looking stupid. You should never have your arms folded or your hands in your pockets when dealing with the public! (It's really become a phobia with me.) The folded-arm stance is closed, intimidating body language; it makes a boss look like a marionette or a policeman. A boss should always appear loose and natural, ready to shake someone's hand or pat him on the shoulder. The body language of greeting people and appearing open and friendly is very important to players.

You should check out the competition, too, and I've always advocated taking a count of players in other casinos. It pays to see what the competition is doing — if you suddenly start to go down in a particular area when another casino is going up, you'd better wonder why. A professional counting service now does the job that we used to do ourselves, and I think it behooves any big organization to pay the \$500 a month for that information.

Information about hold percentages can also be very valuable. For instance, back in the 1940s the percentage on the twenty-one game always held at 21 or 22 percent; but over the years the customers became more sophisticated players, the quality of dealers declined, and the percentage on twenty-one steadily dropped until it's now only 14 or 15 percent statewide. By comparing your percentages with those statewide, you can determine whether you're getting cheated or whether a lower percentage is a trend. The P.C. in our business is like the Bible.

P.C. aside, there are countless things a person just can't hide. And why should you try? It's just a waste of time. If people see that you are doing something good, they're going to copy it whether you've told them your secret or not. When you do develop something that works, you have to jump on it, continuing to refine and improve. If you're doing something so outrageous that other people are afraid to follow you, then you might really have something for a while. But when others finally catch up, it's time to start looking for something new. You can't just sit still.

Although some people have called me crazy for being so open with information about percentages, the handle, and gaming innovations, I feel that sharing information with competitors makes the industry better — it encourages casinos to push the limits to give the customer a better deal. I can call Barron Hilton and find out what any of his joints did for any given day or year; and I can look at the Boyd Group's financial statement at any time, and I share ours with them.

*They aren't
addicted*

As many as 20 percent of the Cal-Neva's customers may be dealers and other employees from other casinos. Another large class of players at our club is restaurant workers. Restaurant workers and people in the bar business have been sort of led into gambling by all of the video poker machines and slot machines in the places where they work. People kind of get the habit — they aren't addicted; they're just used to playing.

There really aren't many people who are addicted to gambling, and if you do have that problem, it's easier to cure than cigarettes or whiskey or cocaine. The real problem comes when people are not only addicted to gambling, but have an addiction to alcohol at the same time. Alcohol doesn't mix with anything: it doesn't mix with sex; it doesn't mix with athletics; it doesn't mix with gambling.

Of course, there has always been a small percentage of people who are compulsive or addicted gamblers (we used to call them "degenerate" gamblers), but they are an insignificant source of the gaming industry's profits. The thing that makes our business profitable is that average players always figure to lose more than they win. When they do get on a winning streak, they bet lower and take fewer risks, and when they're losing, they bet more. It's the thing everybody

does — they double up to catch up. But you can't catch up by doubling up.

22

Ballyhoo

PEOPLE JUST WILL NOT ballyhoo anymore. I tried to get them to ballyhoo the Cal-Neva's Big Six wheel, and they just bucked like the devil . . . would not do it. But I'm convinced that I could open up a Big Six wheel and make four or five hundred a day by ballyhooing — spinning the wheel and making some noise. The carnival era of ballyhooing the games, which created a lot of excitement and show, has just died out; it's gone the way of the dodo bird.

One of the first games I learned to call was the Big Six wheel. You'd spin the wheel and sing out,

Anybody else now? Anybody else?
Round and round she goes;
Where she stops, nobody knows
But the good Lord, and he's no stool
pigeon.
Now bet it in!

The more you bet, the more you get.
The more you lay down, the more you
pick up,
The more you carry away.
If you don't play this game,
You don't like money!

We used to ballyhoo keno by calling it like a horse race, assigning horses' names to the different numbers. Since I have a big voice, I called the game at the Palace without a microphone, and people could hear me out in the street. There was a lot of hype to it. I'd yell,

Get your tickets in!
Only ten minutes until the next draw.

Get your tickets in!
 You can still get down, still get down.
 Write that lucky ticket!
 Anyone else?
 We're coming out now!

We would keep up that patter until we called the balls. As the balls came out, we called them as if they were jockeys on horses. It was part of the job to learn how to call the game:

All right, they're off and running!
 Jockey number 1 on Nanny Dee.
 Jockey 16 on Mainstreet,
 Right down the main drag.
 You've got a hell of a race,
 And a hell of a bunch of horses!
 Jockey number 69 on Kay Dugan,
 That old Irish girl again. [laughter]

When the game was over, you'd call,

Last horse out.
 Next race in fifteen minutes.
 We draw quarter of, quarter after;
 On the hour, on the half.
 Get your tickets in early,
 And avoid the rush.
 You have to bet 'em to get 'em.
 Now, get your tickets in!
 And don't forget to play the next game.

We kept up a steady, rhythmic patter:

Anybody else out there?
 Any more tickets?
 Get them in now.
 They'll be off and running in just a minute.
 Post time! Post time! Post time at the race track!
 Get your tickets in!

Then on the hazard game, a high-low dice game, you'd call,

Get your money down, money down.
All right!
They are ready to roll, ready to roll.

You'd turn the cage holding the dice, and sing:

High and low,
Every throw,
Except on the grand raffle shows.
One-hundred-and-eighty to one;
Two-hundred to one for the grand raffle.

All right, anybody else now?
Make a bet now!
Nickels, dimes, quarters,
Halves and dollars.
Have some, win some, lose some . . .
Put some in your ass pocket,
And take them home to Mama!

A bigger show used to be made calling the dice on the crap game.
One kid started calling,

He's coming out!
They do and they don't pass,
Down the line,
Down the line with Maggie Klein.

(Maggie Klein was a well-known Reno prostitute, and the boss told the kid not to use that call anymore. So he switched to ". . . down the line *without* Maggie Klein.") [laughter]

The tradition died out, and as time passed we quit ballyhooing any of the games. Too bad.

23

Cheating, Stealing, Scamming

ALTHOUGH ALL PEOPLE and all businesses are subject to greed and corruption, gaming is the most vulnerable because its main commodity is money. Money is everywhere. It's on the table games, in the slot machines, the drop boxes, the cages, the counting room, and on the change people. Money is constantly changing hands, and it's very important not to impede the flow with too much rigmarole and paperwork — the more money that's in action at any given moment, the more money you make. But this overwhelming presence of money tempts people to steal.

Stealing from the house

My biggest experience with cheating and stealing from the house came in El Cerrito at the Twenty-One Club, where it seemed as if everyone had his hand in the till. It was there that I learned the necessity of treating your help well, because the owner was such a complete pig that the employees felt perfectly justified in stealing. When people are stealing, they can *always* seem to justify it. The more excuses you give people, the more they will steal . . . and at the Twenty-One all of the dealers, with their supervisor's knowledge, were to some extent taking the place off. There I learned how *not* to treat the help, and I learned a hundred ways your help can cheat you out of your money.

Faro was a tough game to deal. You had to be acutely aware of what was going on. You had to watch everything closely, and it took two people to run the game: one guy dealing and the other guy a lookout. The lookout sat up there and told you if you made a mis-

take Actually, he didn't tell you, but he'd have his hand resting on the arm of his chair, and when you cleaned the layout you'd glance over at him. If he raised a finger a little bit, you knew you'd made a mistake; so you'd go over it again, and people would wonder, "How in the hell did he catch that?"

Depending on how you played it, the house percentage on faro could be very small. If you played from the top of the box the percentage was against you, and wiseguys would never play until there was only one card left — that card could either win or lose, and it was like flipping a coin. But the percentage the house had (and always will have on every game) is that most people will go even when they know better; and when they start losing, they will bet more than they do when they're winning. Those kinds of people *have* to lose their money. [laughter]

Faro was a great game. It's too bad that it still isn't played, but so many things happened People dealing the game got to where they were so good at shuffling cards and other things that you had to watch them closely. Down in Vegas I had a big wheel, and they'd put thirty-four decks on it and spin it and take a deck out at random, thinking that would prevent the scams that involved manipulating the deck.

Through a gentleman by the name of Homer White, I learned about a faro bank scam that eventually helped to kill the game. Homer was a faro dealer from the Bank Club. After he got off shift he would come in to Harrah's and play the horses or faro bank, blowing a couple of hundred every day. We were always friendly, but I just kept wondering where in the hell this old guy was getting all that money.

This went on for a year or more, until one day Homer came in and said to me, "Warren, I'm going back to Texas; I'm just getting too old to deal this game. But before I go, I want to show you something. Give me a deck of cards."

He picked four aces and four kings out of a deck of cards and put them on top. Then three times he cut the cards and shuffled them before loading them into a faro bank box. He had perfected the cutting of the deck to twenty-six cards exactly; and each time, with every shuffle, he achieved a perfect shuffle. After three shuffles, the first eight cards would be in precisely the same order they were in when they were prearranged and placed on top of the deck. Thus,

when the first set-up card appeared in the deal, you'd know what to bet next to win. I just couldn't believe it!

(In faro bank there are two piles of cards — one for the losers and one for the winners. In a scam like the one Homer was demonstrating for me, the dealer's confederate would merely memorize the last eight cards placed on top of the losing pile, and the dealer would then put the losing pile on top to shuffle. Those cards would remain in exact sequence through the shuffle.)

"Homer," I said, "do you mind if I get Billy Panelli? I'd like him to see this."

"Well, I really didn't want to show it to anybody but you. But if you want Billy in on it, I'll show it to him. He's a good guy."

I went and got Billy, and Homer showed him the shuffle. Billy couldn't believe it either.

"Homer, where did you get this?"

"Well, Warren, years ago when I was a young man dealing faro bank in Texas, I ran a game on my own. A guy accused me of cheating, so I shot and killed him. I did twenty years in a Texas prison, and I probably wore out a thousand decks of cards shuffling. I came up with this deal where an absolutely honest-looking shuffle could go through, and I'd catch three or four winners with eight cards that I'd memorized from the previous deal. I'm showing this to you because I'm leaving town, and I'm an old man . . . not going to last much longer. Before I go, I wanted someone to see this. I did this in the Bank Club for twelve years, and nobody ever suspected me."

"Homer, is there any protection against this?"

"Well, sure. Just don't let them split the deck in the middle."

Billy and I thanked Homer, and after he left we began to practice the deal. Although we weren't as good as the old man, we proved to ourselves that it could be done. And if it could be done in the faro bank game, it could be done in twenty-one, which was a much more important part of our gaming business.

From that point on we insisted that in cutting the deck, a twenty-one dealer must first take a third of the cards from the bottom of the deck to the top, then cut the cards for the shuffle: "Third from the bottom, half from the top." That's the way we've dealt twenty-one ever since. However, this is just a precaution, because to my knowledge nobody in the business ever mastered this scam except Homer White.

It was right about this time that the faro bank game began to die out, as much for lack of interest as anything. All the old-timers who loved to play the game were fading away, and, for the most part, it was just too complicated and tedious for the newer customers to learn. Also, the house didn't hold enough percentage for it to really be worthwhile, and the newer dealers had discovered too many ways to scam the game. And in the space that a faro bank game occupied, you could put slot machines that would make ten times as much money in a year.

Through the years there were a lot of things that dealers did to cheat the keno game, and you had to protect yourself. They did everything: anything you could *do* to a game, they . . . [laughter] Perhaps the most common scam was to work together with a player to past post a ticket. In fact, it was just about impossible for a player to past post a keno game without inside help, because we controlled the paper, the ink the tickets were marked with, and the time stamp. Those time stamps, they were protected like gods; but some way or another they'd gain access to them.

In the old days, before there were electric keno machines with blowers to shuffle up the numbered balls, they could even rig the draw of numbers. A dealer'd manipulate it so that two balls from the last race were in the neck of the cage, and he'd spin the cage real fast so that those balls wouldn't drop. His cohort on the outside would then know what the first two numbers were. That was a little hard to catch. We defeated this scheme by fixing a lead weight to the lid of the cage so that it would turn upside down every time, and the balls would always fall out.

Before we got decent accounting systems, dealers would just embezzle directly out of the bankroll. Or they found ways to overpay their cohorts: like, they'd pay them \$2.20 on a bet that had only won \$1.20.

Nowadays, if you suspect someone of stealing, you can always put a camera on them for a later, closer review of the actual event. Barron Hilton had a dealer they knew was stealing from him, but they couldn't catch him in the act. So they videotaped him, and when the tape was reviewed, they noticed the suspect wiping his mouth suspiciously. When he did it again the next day, they stepped in and

found a hundred dollar check in his mouth. Once you're arrested like that, the state takes your license away and you don't work in the gaming industry again.

Customers who cheat When Graham and McKay finally went to prison in 1939, Jack Sullivan took over the Bank Club for them. Jack didn't cater to the criminal element, and as the years went by you saw fewer and fewer of the bad guys around. A couple of the bad ones remaining were Frenchy Perry, who ran some joints up at Lake Tahoe and stole every nickel that came in, and Jolly Jack, who had killed a man in the Bank Club.

In the old days, if you came in to cheat you could be taken out back and have your fingers broken . . . a great deterrent! [laughter] Much better than calling the police, because there were no laws against cheating a gaming business. That was just life back then.

At the Palace before the war we had a bouncer who was an old ex-fighter with cauliflower ears. He wasn't much, and neither were some of the other bouncers we had. After a time, instead of just hiring great big guys to act as bouncers, we started hiring off-duty policemen, which worked out real well. For the most part though, we were on our own.

You had to protect your business and your money. If you let the bad guys run over you, they would really take you off. Most people who were caught cheating backed off gracefully without giving us any lip, and they were just run out of the joint. However, when one of them gave us a hard time, he was usually roughed up pretty good.

I was good at making believers out of people. Although I never was that tough or strong, if I discovered someone cheating or stealing I would get so much adrenaline going that if I could get behind him and get ahold of him, there was almost no one that I couldn't get out a door. People were afraid to steal from me because I made it clear that they would be in harm's way if they did. If someone tried to cheat me, I would just pull him off the table and beat his head into a wall. When you rough someone up a little, they tend to remember it and not make a second attempt.

One day at the Palace Club after the war I recognized a guy named Stovepipe, who I knew was taking off some crap games at different joints around town. I kept a close watch on him. Pretty

soon, one cohort after another came in to join him, and they sidled up to the crap game. Stovepipe had a pair of loaded dice concealed in his hand. I let them all buy in and get their money on the layout, and then I moved up behind Stovepipe and said, "If you put those dice in, I'm going to break your arm."

Stovepipe headed out the back door. I followed him, saying, "Don't come in here again." He was a tall, skinny guy, and he sneered at me and said, "Well, why don't you hit me so I can sue you?" So I hit him! I hit him as hard as I could with my open palm, and I slapped him across the alley and got him up against the wall where I took hold of his throat. I was acting like I was out of control, but I was actually cool and knew what I was doing. I squeezed his throat until he was gasping for air.

Hughie Connolly had followed us into the alley. Hughie called out to me, "Hey, Warren, you're going to kill that guy!"

"Sure, I am," I said. "Just leave me alone." But I let go of Stovepipe's neck; and when he saw Hughie, who was a lot smaller than me, he wanted to fight him instead.

"Be my guest," I said.

Hughie came up and hit him four or five times and split his nose and lip open. Word would quickly get around when something like that happened, and it gave us protection.

Around the time that Harrah's opened, a ring of jockeys led by one named Red Pollard was fixing races out of Southern California. A couple of times a week they would run a race with a pre-determined winner. Bernie Einstoss was in on it, along with Bill Graham . . . these things happened. Since we had a low limit for single payouts, Graham would put up four or five people to make bets with his money. It wouldn't take long for this gang to take out your bankroll if a fixed horse won with the odds at ten to one. Eventually, the racing commission in California looked into it, and Red Pollard was caught and spilled the beans on the other jockeys who were in on the scam.

In the 1970s people found a multitude of ways to cheat the slot machines. Thieves used slugs instead of money, and magnets to manipulate the reels; and some would even drill a hole into a machine, and insert a wire to control the clock which determines the

pace of the progression of the reels. The group led by John Vaccaro was infamous for using the wire, and eight of them were eventually caught and sent to jail. Another thief named Monte Kaufman was so successful and bold that he was said to have a license plate reading "7-7-7."

With their computer chips, slot machines are so sophisticated now that it's extraordinarily difficult for a player to cheat a machine unless it's already malfunctioning. But you'd be a fool to believe that anything is impossible, particularly when a ring has people working on the outside and the inside. Somebody probably could even figure out a way to cheat one of those four or five million dollar jackpots, but if he hit it he'd have to give his name and address and wait twenty years to get all his money. Most thieves don't like to wait twenty years for anything, and the possibility of being discovered would be too great. Also, most people don't have enough guts to steal an amount that would really make a difference. It used to be that a hundred dollars was a big-time take. Now a hundred dollars is nothing; and if you tried to steal enough to make it worth your while it would show up too fast, because computers give instant access to information.

In the old days, if you took a big hit like a \$25,000 keno ticket, it was devastating, knocking the percentages for days. Now there is so much less chance of someone cheating that we usually don't stop to get OKs and make phone calls unless something is really suspicious. It's more important to pay jackpots and tickets quickly to keep your customers happy and the money flowing. Too many safeguards can obstruct operations.

About three or four years ago, the percentages on the horses suddenly dropped down to around 12 percent. We wondered what the matter was, and kept looking until we found a problem that seemed to be coming from Bay Meadows. You'd hear a whisper here and a whisper there . . . then all of a sudden, all hell broke loose! A jockey over at Bay Meadows was caught rigging races, and everything was in turmoil. Finally, the California Racing Commission got it all straightened out, and within a month the percentage was back to normal. Losing half your money for four or five months is tough, but as long as you're in the gambling business, you have to expect losses.

In the early days in Reno there were all kinds of shenanigans from the customers (*and* the dealers), including crimping, daubing, and all different ways to mark the cards. I practiced a lot of the maneuvers, like dealing seconds, switching the dice, and turning a deck, but I was always pretty clumsy and never practiced enough to become any good. Learning how to cheat without actually doing it was useful — it made it easier for me to spot cheaters throughout my career.

Many of the old timers who cheated eventually turned square and made their living as surveillance men in the peek. So much of that kind of cheating has since died out that most of our current bosses never learned how to cheat, and, in turn, never learned how to recognize cheating. In that regard, we may be becoming too complacent. Money inevitably attracts thieves.

Fortunately, there is less and less cheating and stealing going on. The biggest in-house deterrents today are sophisticated surveillance technology and computers. Computerization has drastically cut down cheating in slots and the race and sports book. For instance, it's much harder to put in a phony ticket, because the precise time the ticket was bet is always recorded directly on it. Computers also give us a lot more customer information in the pit.

Of course, one of the best deterrents is the Gaming Control Board. If we discover someone cheating or stealing, we simply call the state. They usually get the culprits on film and then go in and make an arrest — they handcuff them right in the joint and march them off to jail. When you see someone go out in handcuffs, it acts as a big deterrent.

*Cheating the
customers*

It sure took a long time for people in the gambling business to figure out that it didn't make sense to cheat their customers. Within the gaming fraternity everyone knew who was square and who wasn't, and up until around 1945 I'd say 60 percent of the joints in Reno were not running on the square — practically everyone cheated one way or another. And if a customer counted wrong and walked away from the table, the dealer just took his money; whereas today, a dealer would say, "Excuse me, sir, but you might have a winner here." Similarly, in those days on the roulette table, a dealer might short-pay a customer, because, no matter what, a dealer was expected to hold twenty-eight percent on the wheel.

Many of the early places had pretty thin bankrolls, and they were always afraid that somebody was going to come in and get a real streak of luck going and beat them bad. To prevent this, even places that were running on the square usually had somebody around who was *good* with cards, and they called him a stopper. They'd take the regular dealer out, put the stopper in, and he'd deal seconds or turn the deck or do whatever he had to do to stop that run of luck and save the joint's bankroll.

After the war most of the places began to straighten out, because the bigger joints — the Mapes, Harrah's, and Harolds — were running on the square and keeping the action. But even places that were known as square joints, and didn't cheat people on a daily basis, would put a stopper in if someone got loose on a twenty-one game and started to beat them real bad.

Some joints would put a stopper in not just to limit losses, but to deal to big players they wanted to beat. George Whittell, a very wealthy man who lived up at Lake Tahoe, was an example of a player who was frequently cheated . . . but he didn't seem to mind. Whittell was kind of a playboy, with a big estate at the lake where he kept lions and tigers.

Of course there were some joints, clip joints, that just cheated their customers all of the time. As recently as fifteen or twenty years ago they were still rigging slot machines by putting a bug on one of the bars so that a jackpot could never come up. Sometime in the early 1960s, the idea of car give-aways evolved, and some joint up at Lake Tahoe had a new Cadillac on a slot jackpot . . . but it was to be driven away in a year's time if the jackpot failed to hit. That slot machine was jimmied up so that a jackpot couldn't have been hit in a *hundred* years. And at the end of the year, one of the bosses drove the car back to California! [laughter] A big lawsuit resulted.

Joints could also gaff their roulette wheel with an electro-magnet. It took a great deal of skill, but there were two or three guys who were good at it, and they'd go around to different joints and . . . They'd rig the wheel so that if you rolled the ball fairly slow and pressed the button, the magnet would turn on and the ball would drop into the selected slot.

Regulating it

In the years immediately after the war, the square joints had no help from the state to investigate cheating; and a lot of cheating was going on — no doubt about it. Then Robbins Cahill took over the State Tax Commission, which was the only agency at that time monitoring gaming activities. I have the greatest respect for Cahill. He did a very good job with limited resources, but even then they were not allocated enough money or people to adequately monitor the gaming business.

When we opened Harrah's, Bill Harrah was licensed, but there were no questions about the size of our bankroll, or our slot machine percentage, or anything else. With a bankroll as small as ours, we would have had a difficult time opening if the state had been paying attention to things like that. (Today the state looks into every aspect of your business. They probably have *too many* people now; but they do a good job.)

Grant Sawyer and succeeding governors became very strong on keeping the business honest. They put a lot of money into regulating gaming, and it was the greatest thing ever for the industry. Reno and Las Vegas would not exist today if state government hadn't gotten in and cleaned things up. The mob in Nevada is definitely a thing of the past.

To the best of my knowledge, there's not one person in northern Nevada associated with the mob who's involved in the day-to-day management of a casino. It's possible that one could own stock, but it's not possible that he could be infiltrated into a casino with the intent to skim or launder money. And if someone were to ask me if the mob was still involved in Las Vegas gaming, the answer would be no; but I don't deny that the mob *was* a presence there in the early years.

Nowadays there are too many good, legitimate outfits for the mob to be able to compete with them. These big gaming corporations with all the money they have invested would not tolerate anyone damaging the reputation of the industry with any kind of illegal activity . . . particularly cheating the player, because that player being cheated could be their player too. But I can't speak for gaming outside of Nevada. Some of the state lotteries set their percentages so high that it's practically the same as cheating the customer. And in

states where they're just beginning to open up gambling, it's like a new green pasture for thieves.

Part
Four

BEYOND
CASINO
WALLS

24

The Teamsters Want In

IN THE MID-1960s the Golden Hotel, located on Center Street where Harrah's is today, burned to the ground. (I rushed downtown to hose down the roof of the Cal-Neva so that it wouldn't catch fire too.) Afterwards the Golden property was obtainable. I thought the price was reasonable, and I wanted to buy the property and rebuild on it, but to do this I would need a loan. (This was not a Cal-Neva thing; I was doing it on my own.)

In those days, many of the joints in Nevada were financed by the Teamsters Union — it was fairly easy to get money from them. Hughie Connolly, my graveyard shift manager, had gone to school with a guy who became a lawyer for Dave Beck, the western representative for the Teamsters; and my dad also knew Beck, and had travelled with him while campaigning for Franklin Roosevelt. So I figured I would give it a shot.

I got an introduction through the lawyer, and I went up to Seattle to meet Beck. He had just gotten out of prison,¹ where he had exercised daily to keep in good shape. He was healthy, suntanned, robust . . . a charismatic guy who commanded a lot of respect and attention wherever he went. He started asking me questions:

¹ Dave Beck (1894-1993) joined the Teamsters union in 1914. By 1926 he was a full-time union official, and he soon gained a reputation for being a tough and capable organizer. In 1954 he was elected president of the Teamsters, but he was suspected of having ties to the mob, and he and the union were investigated by the federal government. The Teamsters were expelled from the AFL-CIO in 1957, and Beck was indicted on embezzling and tax-evasion charges. Convicted of both, he was sent to prison. Beck was released on December 11, 1964. He later received pardons for his crimes from President Gerald Ford and Washington Governor Albert Rossellini.

"Where are you from?"

"Montana."

"Are you any relation to Lawrence Nelson?"

"He's my dad."

"Well, Lawrence was a hell of a man."

I always felt that good, honest men like my dad built the unions, and men like Dave Beck ruined them. But I told Beck what I wanted to do with the Golden, and that it would cost about fifteen million dollars.

Beck got on the phone, and of course I could hear his end of the conversation. It went something like this:

"Jimmy, this is Dave. I have a good friend here who's talking to me about putting a place together down in Reno, and he needs some money to do it Yeah . . . About fifteen million. Can we get it out of the Midwest? . . . Great! Thanks." Beck got off the phone and said to me, "Hoffa says you can have the money, so it's a done deal."

We went to the restaurant atop the Space Needle to have lunch and work out the details. The view was terrific. Beck started pointing out different properties that were owned by the Teamsters. Then he'd point off in another direction and say, "You see that property over there? That belongs to me." He kept pointing and declaring ownership until it seemed like the whole damn perimeter of Seattle was owned by Beck or the union. [laughter]

Beck bullshitted me about his big home out on Lake Washington that had an electric train running around on four acres of grounds. He told me about the wild times they had out there . . . union picnics, and all the big shots in the Teamsters would get drunk and ride around and fall off the train. Finally, he got down to business. He said, "Warren, I'm going to send a friend of mine from Toledo down to Reno, and I know he'll be a big help to you."

"Now wait a minute, Mr. Beck, let's get this straight: If I'm going to run this joint, everything is going to be above board. There won't be hidden interests, and we're not going to take anything off the top; my license means too much to me. I can't let you bring someone down from Chicago or Toledo or any place else to run my joint!"

"Oh, hey, no problem. We wouldn't do anything like that," he said. "You'll know the best way to work these things out."

We agreed to meet again the next day in Beck's office, and when I got there, there was a big, swarthy fellow wearing a blue silk suit

and blue suede shoes. Beck introduced us and said, "I want the two of you to be real good friends. I know we talked yesterday, Warren, but this man knows what he's doing . . . He'll be a great help to you, and he should have a couple of points in the joint. I'll have the money for you in thirty days, and I'm positive you can work things out."

I was seething, thinking, "What the hell? Is Dave Beck trying to make a sucker out of me?"

The guy left, and Beck said, "Come on into the next room. I've got some people waiting for me. We're just having a little conference about a car auction that we own down in California." The meeting got started, and Beck said to one of his boys, "Well, are we making any money?" The guy said that they were making money on the operation, but that they were having a problem with one of their men, who was double-crossing them. Beck ordered him to get rid of the guy.

When I left the meeting, I went back to my hotel room, packed my bags and went straight back to Reno. I never looked back nor talked to Dave Beck again.

Representing the Industry

IT'S PRETTY EASY to meet politicians; all you have to do is give them money. [laughter] Most of the time I contribute equal amounts to opposing candidates, Democrat and Republican, unless one of them has consistently opposed the gaming business, in which case I use all my means to defeat him. But a campaign contribution is not bribe money, it is a gift: "This is money for your campaign, and nothing is expected other than the courtesy of being heard when the gaming business has a problem. All we ask is to be able to tell our side of the story." Politicians understand that gaming is here, and gaming's where the taxes come from to run our state, so they generally do their best to represent us.

Battling the government

Whenever an industry generates as much revenue as gaming, a threat always exists. Whether it's the unions or the IRS or something else, somebody's always taking a shot at you.

Sometime in the late 1960s, to protect our interests, the Gaming Industry Association (GIA) was formed by Les Kofoed of Harolds Club and Maurice Sheppard of Harrah's. I was asked to join, as were most of the other major operators. The idea was to create an organization that would give a stronger voice to the gaming industry in political and legislative issues. Everything went along fine until I woke up one morning and read in the newspaper that Chuck Munson, who worked for the state, had been appointed to head the GIA. I asked myself, "How in the hell can they appoint someone to run this organization without consulting its members?"

In essence, Harrah's Club and Harolds had taken it upon themselves to make the decisions: they wanted everyone else to pay dues

without having a vote or representation. I called everyone up and told them I was going to tear the organization apart. [laughter] I said, "If Harrah's and Harolds people are going to make all the decisions, then it's pointless for the rest of us to be in the association." I was so strong in my reasoning that a lot of people dropped their membership and never came back.

After several months had passed, Maurice Sheppard came to me and said they had made a mistake and were sorry. He asked me to help put the association back together, and I agreed. Finally, most of the casinos rejoined. Along with Chuck Munson, Robbins Cahill acted as a lobbyist for us in Carson City — he had been head of the State Tax Commission for years, and later was city manager of Las Vegas. Las Vegas formed a similar association, and the two groups worked together on a national level; but at the state level, on issues such as credit, the north and south did not always see eye to eye.

I was elected president of the GIA in 1969, and from 1969 to 1974 I made several trips to Washington to testify on issues concerning our business. I always felt like I was fighting for my life with a bunch of bureaucrats who didn't care about me or my business. If it wasn't for Nevada's senators and representatives, our gaming industry'd be in deep trouble. Fortunately, our people back there have always fought for us.

One of my first trips to Washington concerned a 10 percent tax that the IRS was trying to put on keno, which would have ruined it, considering the high cost of operating the game. Thirty or forty people from Nevada went to Washington over this. The group included Senators Alan Bible and Howard Cannon, Bill Harrah, Harold Smith, and top business people from Las Vegas and Reno. Because of my expertise in keno, I was called upon to explain the game to Commissioner Sheldon Cohen. Cohen was a bright, understanding guy, and we managed to fight that tax off for the time being.

You may win a battle with the IRS, but you can never win the war. Later they wanted to tax every individual win on the keno game, twenty-one, and slot machines! It's just idiotic to believe that winning and losing can be monitored that closely in a gaming casino. The IRS held that every time a person won, say, six hundred dollars, it was a gift or windfall and subject to being taxed. This didn't take into account the eighteen hundred dollars (or whatever) that person may have lost before he won six hundred. We succeeded in showing the

IRS that they were wrong, and that by unfairly taxing our customers they would depress our business, ultimately losing tax revenue for the government. The IRS's scope of understanding seems to be broadening as gaming spreads throughout the United States, but a lot of time and expense could be saved if they would just send a competent agent to Nevada to see what we're actually doing.

In the 1970s the Susan B. Anthony silver dollar, which was the size of a quarter, threatened to undermine our dollar slot business . . . and other games. It didn't fit the coin chutes in the machines; it was easily confused with a quarter; and its small size made it difficult to maneuver on the table games. The industry argued vehemently against the Susan B., but to no avail. We ended up having to substitute in-house tokens for the silver dollars.

*Member of
the board* In 1970, when Mike O'Callaghan was running for governor against Ed Fike, he came to see me at the Cal-Neva and asked for help. I gave him a check made out to his campaign in the amount of fifteen hundred dollars, and I contributed an equal amount to Fike's campaign. O'Callaghan called me after he won the governorship. He said, "I want you to know who's going to be the head of the Gaming Control Board." It was Phil Hannifin, a good friend who'd worked for me while attending college. O'Callaghan is kind of a rough, tough guy, and he said, "If Hannifin ever does anything wrong, if he ever takes any money from anybody, he will be down in Hocker's Palace." [laughter] (Hocker was the warden of the state prison).

O'Callaghan continued, "Now, Warren, you can be of assistance to the state too. This is what I want from you: I want you to tell me everything that goes on in the gaming business."

"Governor, I'm not going to be a stool pigeon. I'll tell you what you *should* know, and I'll never lie to you, but I'm not going to tell you everything. That's not the way I operate. And anyway, it would blow your mind." [laughter]

"That's fair enough," replied the governor. Shortly after that he started a Gaming Policy Board and appointed me to it. I stayed on the board for twelve years. There were five members, with two people representing gaming, and the governor acting as chairman. In the beginning we met every six or seven months, and O'Callaghan asked for very specific information and advice.

O'Callaghan wouldn't put up with any departure from the gaming regulations. For example, a guy who ran a poker joint just out of town was doing some pretty inappropriate things. Since he'd been around a long time and knew a lot of people, he felt that he was immune from government controls. I made a couple of trips out to see him and warned him that he should cut it out. He insisted that he wasn't doing anything, and that they weren't going to nail him anyway, but within a month they'd closed the joint down, and he's never had a place since. O'Callaghan was just not going to tolerate that kind of operation. His insistence on strong enforcement helped the state a lot during the 1970s.

One controversy that the board tried to deal with was the issue of how casinos should handle customer credit. In my opinion, a casino operator should not be able to force an out-of-state customer to make good on a bum check cashed for gaming purposes. Most other operators don't agree with me on this point. Shift managers, eager for the money, especially in Las Vegas, tend to cash a lot more for a customer than he should probably get. Some credit departments will even let a customer cash a check *knowing* that he can't make good on it.

(After people have had a few drinks and have been gambling for a while, they are liable to lose a lot more than they can afford. This hurts the casino as well as the player, who goes home in despair, perhaps feeling that he's been taken advantage of. If a guy has a \$500 limit, loses it, and says, "Give me five hundred more," I'll tell him, "I don't want to see you get hurt; but I will give you a hundred to get home." Chances are he'll go to the joint across the street and lose the hundred, but that's a lot better than burying him.)

A meeting was held down in Vegas at the International Hilton to discuss this. The top guys from Las Vegas casinos believed that the industry had a right to proceed into other states to collect from delinquent customers. They felt that if anyone cashed a bum check while gambling, he should be prosecuted to the full extent of the law. Northern casino operators — Bill Harrah, Barron Hilton, John Ascuaga, and me — felt that such a tough policy was inappropriate. We believed that if you let a guy go too far over his limit, and you cashed a bad check, it was *your* problem. In that kind of situation, we felt the customer was blameless. An operator should know his customers well enough to tell whether they will be able to make good

on checks they cash at his casino, and it should be the casino's responsibility not to give a customer more than he can afford to lose.

"Let's get this over with"

When New Jersey was on the verge of legalizing gambling, Governor Byrne came out to Nevada to get some input on how gaming is run in our state. Byrne brought ten or fifteen people with him to meet with O'Callaghan, Pete Echeverria (who was head of our Gaming Commission), myself, and several other people. Things were going well until, about forty minutes into the meeting, Hank Greenspun, the editor of the *Las Vegas Sun*, arrived with a newspaper in his hand. "I'm sorry I'm late," he said, "but I just finished today's editorial and I'd like to read it to you."

The editorial was a diatribe denouncing gambling. It stated that women wouldn't be able to buy milk for their babies, and that Governor Byrne would be known as the Irish Nero who fiddled while Atlantic City burned — that instead of New Jersey being the garden spot of the United States, it would become the pest hole of the country. Greenspun continued on; there was no way to shut him up. O'Callaghan just listened, turned red, and squirmed down into his chair.

Finally I said, "Governor, you might as well sit up, because there's not enough room for you to fit under the table. Let's get this over with."

Greenspun turned and accused me of living in an ivory tower, of not knowing what's going on with the little people. "My people — Jewish people," he said, "come over from Los Angeles, lose all their money, and can't buy a bus ticket to get back home."

"Mr. Greenspun," I said, "that is absolutely not true! Any legitimate player who loses all his money would certainly be given enough cash to get home."

We had a few other sharp exchanges, but I felt that I was able to tone down Greenspun's attack on gaming, and that our meeting with Governor Byrne was productive. I always believed that good, square casinos in New Jersey could only help Nevada by educating more people about gaming, by making more players, and by creating a more open industry.

Founding a College

WHEN I LEFT THE COLLEGE of Mount St. Charles, which I only attended for one semester in 1931, I still owed them ninety-five dollars. Mount St. Charles later changed its name to Carroll College. About thirty years ago an ex-schoolmate and friend of mine who owns a ranch up in Montana called and asked me to donate some money to the Carroll library building fund. I decided to donate five thousand dollars, and I began to get involved with supporting the school.

Later I started giving scholarship money to Carroll on a yearly basis. I will be introduced to some kids who need help, and I will interview them and tell them that I expect top-notch grades. Three of my scholarship guys have graduated out of there with 4.0 averages. Helping these young kids is a very gratifying experience. Although I didn't complete my own education, I am a great believer in helping everyone I can to achieve his maximum potential. This impulse led me to get involved in starting an alternative college in Reno.

I first met Father Jack Leary, a Jesuit priest, through Jack Sheehan, whose dad owned a bar up in Butte and was a good friend of mine. When I met him, Father Leary was operating a small humanities school in Marin County, California, called New College. It emphasized a close educational relationship between professors and students. I donated some money to his school, and a few months later Leary came to me with an idea for starting a similar humanities college in Reno.

I had never really completed my formal education, and Leary's idea enthralled me. I started contacting people to raise money and to put together a board of directors. (In addition to myself, the board included John A.

Cook, Katherine Collins, William Boyd, John Flanigan, Joseph Brown, Fianna Combs, Lud Corrao, Georgia Fulstone, Michael Halley, Paul Havas, Moya Lear, Robert List, Raymond Mahan, Robert McDonald, Robert Miller, Mike O'Callaghan, William Raggio, Grant Sawyer, Julien Sourwine, Sidney Stern, and Robert Sullivan. It was a pretty big board.) Starting with just a few classes, we opened our humanities college in 1980 in the old Catholic grade school next to St. Thomas Aquinas Cathedral at the corner of Second and Arlington Streets.

Father Leary was a brilliant guy, but he didn't know much about people. We made good partners: he could always recite Socrates, but I could quote Nick the Greek. [laughter] Father Leary never thought small about anything, and he would have turned Old College into Notre Dame if he could. But the humanities program floundered, and as it did Leary and I began discussing the possibility of creating a law school for Nevada. In 1979 we decided to start one as part of Old College.

We sent Frank Fahrenkopf and our first dean, Dave Hagen, to Washington to look at the library of the Potomac School of Law, which had gone bankrupt. The library was more than adequate for our needs, and we agreed to buy it for \$250,000. Of course, the school didn't have the funds to finalize the purchase, so several people put up the money, including Bill Thornton, Pauline Farris, my two children and me, and George Aker, the president of a local bank. It cost us an additional \$56,000 to ship the books and all the desks, bookcases, et cetera, which comprised the complete library. When the three railroad cars containing the library arrived in Reno, Frank Bender transported everything to the school free of charge. This was really a generous thing for him to do!

In the meantime, we had decided that the three to five classrooms in the church building would not be adequate for our law school. The vacant Gannett Building, which had housed the *Reno Gazette-Journal* at 401 East Second Street, was perfect for our needs, so I started looking into the possibility of obtaining it. My wife's nephew, Paul Kessinger, worked for Gannett at the time, and he was able to steer me to the right people back at corporate headquarters in Rochester, Minnesota. They agreed to donate the building, but they wanted a \$2.5 million write-off, which they were able to get after we had the building appraised. However, even though I had cut the deal

between Gannett and Old College, the real estate people who had been attempting to procure the building for us sent the college a bill for \$25,000. It was the first of many heartaches to come. Nothing seemed to come easy for Old College.

Our law school opened with Dave Hagen as dean. We began with only about twenty or thirty students, mostly older local people who had put their careers on hold because of the unique opportunity afforded by the opening of a law school in Reno. Hagen knew what he was doing, the teachers were really top notch, and having only ten to twelve people per class created an effective learning atmosphere. Things were looking good.

During this time, we sought accreditation from the American Bar Association (ABA). When they sent their first accreditation team out, we really wined and dined them, and they gave the impression that they favored accrediting us; however, in reality they feared that Old College would compete with the McGeorge School of Law in Sacramento. We weren't accredited.

Hagen had agreed to serve as the first dean of our law school with the provision that it would be only temporary — he had a private law practice to run. He was an excellent dean, and we didn't want him to leave, but we had to start the process to replace him. Not knowing anything about academia, I stayed out of it. The next dean had some problems with the students: he was accused of sexual harassment. He just wasn't the right kind of guy, so we finally let him go.

Our next dean was even worse. [laughter] He was from back east . . . very arrogant and a real loose cannon. When the ABA sent a second accreditation team, he just aggravated the situation. Again, we weren't accredited. We got rid of him and brought in a nice man named Felix Stumpf, who did a very good job under the circumstances. While the situation was deteriorating from bad to worse, Father Leary, who was the president of the college, became sick and just sort of dropped out, leaving me with all of the responsibility.

When it finally became apparent that we were never going to receive accreditation from the ABA, making it impossible to raise funding to keep the school going, our goal became to insure the graduation of all the students currently in the pipeline. For the students who weren't far along enough to graduate, we found placement in McGeorge and the San Diego School of Law. We ended

up having ninety-five graduates, eighty-seven of whom passed the bar.

Long before we could graduate all of the students, the school ran out of money. I went to First Interstate Bank and borrowed \$2.5 million to keep operating until all of the students could be graduated. Three signers were required by the bank, so I went to two of my best friends, John Flanigan and Bill Boyd, and got them to sign along with me. Because of other concurrent business expenses, Bill couldn't really afford to do this, so I promised him that if anything happened I would pay his share of the note.

While prospects for the law school still looked good, we had started a PACE (Program for Adult College Education) program. PACE allows elderly people to go back to school and take classes such as religion or philosophy that they may have been unable to participate in when they were younger. It was very gratifying to me because it was not only popular, but the people also got a lot out of the program . . . I was really hung up on it.

Finally it looked as if we were going to have to drop the PACE program while we still had fifty or sixty people in the pipeline waiting to graduate. The University of Nevada agreed to take over the program, provided that we supply them with seed money amounting to \$100,000 a year for the first two years. (In the event, we didn't have the funds to pay the second installment.) When the University accepted the PACE program, it became very successful. Currently, however, the PACE program is endangered due to lack of funding.

When we finally closed the school in 1987, a lot of people were unhappy; but we really had no other choice. Some of the teachers even sued for breach of contract, but nothing ever came of it. And although I had had to keep going to my friends and children, asking for more money, it never hurt any of my friendships. I got money from so many people, it's hard to believe. Everyone who was on the board put up a little, and few ever bitched about the money they lost. I did reimburse a couple of people who were a little bit unhappy about their losses.

Meanwhile the \$2.5 million note I'd signed with Flanigan and Bill Boyd was looming over my head. During the four years that we had the note out, we paid about a million in interest at about 10 percent

per annum. I finally had to sell off some of my very valuable IGT stock to pay my end of the debt. My friend and next-door neighbor, John Flanigan, also ended up having to pay his third of the note, and I felt very bad about that. He and I still own the building, and my daughter and her husband run it for me.

Most of the financial burden for keeping Old College open over the years had settled on my shoulders — I ended up spending about four million to keep the school afloat. I really didn't have that kind of money, and I've been very fortunate to have made it back through my business interests . . . but I don't regret a nickel's worth of money or effort that I put into Old College. It was a great experience, and I'm particularly gratified when I run into people who were able to get their law degree only because Old College existed. I get kisses from the ladies and handshakes from the men, and all say, "Gee, thank you. I never would have gotten a degree if it wasn't for you."

In the summer of 1994, John Flanigan and I agreed to transfer title for the former Old College campus to the University of Nevada, Reno. Barbara Thornton, who is on the faculty at the university, was involved in this, and the principal negotiations were with President Joe Crowley and Vice-President Paul Page. We hope and believe that the Old College facility will be a valuable addition to the university.

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Family, Friends, and Interests

WHEN PAT AND I first got to Reno we stayed in a little motel out on Fourth Street, but we were soon able to rent an apartment. After our son Greg was born we moved into a little housing development called Westfield Village, which had been built with government funding by a man named Munley. Everybody lived in Westfield Village: Ad Tolen, Harry and Anne Parker of Parker's Western Wear, Benny Petronzi, an old-time gambler, Gene Diullo from Harrah's, Mead Dixon and his family, and I believe even the Nightingales lived there at one point.

Later we built a house on Palisade Drive off Plumb Lane on the ridge overlooking Hunter Lake Drive. It wasn't until both of my kids were in college that we built the house where we live now. It's on twenty-five acres on a hill off Holcomb Lane.

Up through the 1950s I never worked a shift that lasted less than ten hours. And if there was any kind of action, I always stayed until its conclusion, which meant that I sometimes worked twenty-four hours straight. Therefore, most of the responsibilities around the home — cleaning, cooking, and taking care of the kids — fell entirely on Pat. She did a tremendous job taking care of everyone, and continues to do so today. Everything Pat does is done to perfection — the way she dresses, the way she cooks, and the way she takes care of me.

Greg My son Greg was born in 1947. As a boy he enjoyed hunting with me, and he participated in judo. Although he was not an athlete in high school, Greg really hit his stride in later life, and he's now an excellent marathoner, biker, skier, and hiker. He seems to have inherited a love of the outdoors from me. Greg and I did a lot of

camping when he was young. We used to go to places like Hunter Lake, Bronco Creek, and to my ranch up in Battle Mountain where we'd stay three or four days at a time to hunt and fish. I always had a jeep or a four-wheel drive, and we'd just roll back into the hills and stay there for a while.

When Greg was in high school he developed a love for cars. I bought him a Corvair, a Dodge, and finally a Corvette that he always kept in immaculate condition. Following high school he took a year of hotel management courses in Las Vegas, but he was unhappy down there, so he came back and enrolled at the university in Reno. About the time he earned his degree, we opened the Club Cal-Neva at Lake Tahoe, and he went to work up there, learning how to deal twenty-one. But when we sold the place, Greg came to me and said, "Dad, I don't want to work at the downtown Cal-Neva. I want to go back to school."

"That's great," I said. "What are you going to study?"

"I'd really like to study philosophy."

"Nobody ever made a living dealing philosophy," I said. "Why don't you go to law school?"

"Because I don't want to be a lawyer."

"Greg, look: you don't have to become a lawyer; but for any kind of business, a law degree would give you a good base."

"I don't think I could get into law school anyway, Dad."

"If I could get you into a law school, would you go?"

"Yes," said Greg.

This conversation took place long after the deadline for applying to law schools for the fall term, so I immediately called Senators Alan Bible and Howard Cannon and asked for their help. Bible's chief assistant, Jack Carpenter, talked to the dean of the Georgetown Law School and told him about Greg and the excellent grades he'd earned in high school and college. Jack called me back and said, "Greg's in Georgetown. The dean has two prerogative admissions that he can use at his discretion, and he will give Greg one of those if he passes the LSATs." Greg passed, and about a week later he was in Washington at the Georgetown School of Law.

When he graduated in the mid-1970s, Greg was a little indecisive about what he wanted to do. Ad Tolen was fond of him, so he suggested that he come into the partnership at the Cal-Neva. Greg agreed, and I arranged to sell him 3 percent of the partnership. Ad's



Pat Nelson, ca. late 1940s
"Everything Pat did was done to perfection."



Greg Nelson (above) and Gail with Warren (below)
"Up through the 1950s I never worked a shift that lasted less than ten hours. Most of the responsibility for taking care of the kids fell entirely on Pat."

son, Gene Tolen, joined the partnership at about the same time. Leon Nightingale's son Steve, a very bright young man, and Jack Douglass's son John were also brought into the partnership, but neither ever played an active role. We were having some problems at the Cal-Neva at that time, with all of us fathers jockeying for dominance, and the kids seemed to get lost in the shuffle. We made a mistake by not allowing enough room in the partnership for our children to grow into it and learn the business.

Gail My daughter Gail was born in 1951. She was an athletic child, and I taught her how to shoot baskets and how to throw a punch. Gail still packs a powerful punch! [laughter] And I taught her how to drive my Dodge Power Wagon when she was about ten or eleven years old. She couldn't see over the top of the wheel, but she could drive.

Gail went to the University of Santa Clara. She was in all the Vietnam war protests, sitting in front of tanks, fighting for what she thought was right. It really bugged me. I just couldn't understand what was going on. She's been a fighter ever since, and probably will be for the rest of her life, because she does whatever she believes to be right.

After attending Santa Clara for a few years, Gail went to Catholic University and taught school in the black community in Washington, D.C. She ended up graduating from Dominican College in San Rafael with a degree in English and a California teaching credential. Then she came back to Reno and went to work for me. There was a lot going on internally at the Cal-Neva during the four to five year period that she was breaking into the business. Not only did we change general managers from Brevick to McHugh, but there was also growing friction among the partners.

Unbeknownst to me, Gail started to date a Chinese boy, Chuan Liu, who was working for me at the time as a pit boss, doing a very good job. One day I asked her if she wanted to go to the Sacramento Fair with the governor, and she said, "Yes, if I can bring a friend."

"Well, who's your friend?"

"Chuan Liu, a boss on graveyard."

We got into a big argument, and she ended up telling me that who she dated was none of my business. She decided she was going to marry Chuan; but I was totally against this, and I fought it every

way I could. I probably cheated by going to her friend Billy McHugh and asking him to try to talk her out of the marriage. Gail was hurt that Bill would interfere — she couldn't accept him telling her what to do with her life, and a real problem developed between the two of them.

Gail ended up leaving the club and marrying Chuan, who I thought was a real good guy and a great worker until he married my daughter. [laughter] Back in Montana, prejudice against Orientals just existed and we passed it on. If you're raised with prejudice, it's pretty difficult not absorb some of it.

About two years after they married, Gail had her first baby, Marisa, born on Christmas Day. I kept trying to rationalize how these kids would grow up being half Caucasian and half Oriental, and what it was going to mean in their lives. Then I began looking around and seeing that other people were doing the same thing. Now Gail has three daughters — Marisa, Sonja, and Nadia — and they are all beautiful children. When they grow up, they will be three beautiful women. I love them all dearly, and spend as much time with them as I can. And I have become as fond of my son-in-law, Chuan, as anyone. He is kind, bright . . . he's one of the hardest working men I've ever seen, and without a doubt, he's the best father. Once I got to know him, I could see why Gail fell in love with him. The only thing I've ever done that I'm really ashamed of is my opposition to my daughter's marriage.

As time goes on, it's increasingly apparent to me that the world has to become more integrated. The Oriental race mixing into the Caucasian race might be one of the greatest things that's ever happened. I've never seen a Eurasian child that wasn't super bright — they seem to inherit all the smart genes.

Chuan, Gail, and the girls come over to the house all of the time. They take riding lessons at the ranch, swimming lessons, tennis lessons . . . and the girls are all extra smart. Pauline Farris, Howard Farris's wife, set up extremely generous college funds for the three girls, and my wife and I contribute to those funds all of the time.

Pat is very attached to our grandchildren. She is as great a grandmother as she was a mother — she took care of her own parents until they passed away, going to see them all the time. If everyone took care of family the way my wife does, it would be a better world.

*Understanding
and forgiveness*

a person who loves everything that breathes — including me, her kids, her grandkids, and her dogs.

Greg spends most of his time in Taos, New Mexico. He is a cultured person, extremely well-read, loves antiques and history, and is probably in better physical shape than anyone I know. He runs his life the way he wants, as everyone should. Greg took over my interest in the Boyd Group, and he is on the Cal-Neva's board of directors. He stays in close touch with Bill McHugh, who keeps him informed about everything that's going on.

Gail has forgiven Bill, understanding that he was acting on my behalf when he tried to talk her out of marrying Chuan. If she had stayed in the business, she probably could have done anything she wanted. Gail was interested in everything, and she knows the business better than any of the younger kids who are partners. She stays close to me, and she and Chuan run the Panda Crossing Shopping Center, Old College, and the Silver Circle Ranch.

*Other
enterprises*

At one time, I had the dream of having a kid's entertainment center in downtown Reno. In 1974 I opened the Youth Factory in the Sierra Square building. It had about a hundred pinball machines, babysitting facilities, and dances for teenagers. That's when my daughter Gail first went to work for me, running the place for about two years. The concept of children's entertainment was a good one, as proved by Circus Circus, but we were in the wrong location.

The Sierra Square Dealer's School that I opened around 1978 reflects my belief in giving people an opportunity to learn. A lot of new casinos were going up, and we were in the process of opening the Comstock and the new side of the Cal-Neva. Not only did we need a trained pool from which to hire new help, but also the school was a means of enriching the help we already had — a one-game dealer could go over to it and learn how to deal two or three additional games, thus improving his prospects for pay raises and promotion.

The Sierra Square building that Bill Thornton and I owned was the location for our school, which we rented out to the Cal-Neva for \$750 a month. Gail broke into the gaming business at the school, learning how to deal twenty-one, baccarat, and roulette. Eventually she ended up training a lot of dealers while she was dealing twenty-one on the graveyard shift for me.

For a short time, through the efforts of Bill Thornton, we were running fifty or sixty people a day through the school, teaching them how to play the various games in a less intimidating atmosphere than a live casino. Everyone, including the dealing students and the customers, was learning together, creating a very congenial atmosphere.

Another property that I became involved with around 1982 was Western Village. My son and I had 50 percent. We came in along with Si Redd to be partners with Sid Doan, who was already operating the place. Neither Si nor I could get anything done with Sid, who was basically a truck stop operator — we wanted to loosen up the slot machines, but Sid was like a brick wall. It was too much trouble and no fun, so after about eight months I got out the back door that I had built into the deal, and wound up with a couple of hundred thousand dollars in my pocket. Western Village was a good idea, but I was glad to get out. It now seems to be pretty successful under the auspices of the Peppermill.

*Dogs and
horses*

Even though gambling is the way I've earned my living, hunting, ranching, and fishing have always been major parts of my life. I enjoy hunting with my good friend Harvey Gross, but my most memorable hunting trip was one I took with Dick Graves, hunting polar bears from a Norwegian ice breaker above the arctic circle. We killed four, which was a big thrill then, but I have since come to regret it. I don't even shoot deer anymore. The only animals I continue to shoot are birds, because I enjoy field trials and the sport of bird-dogging. Actually, it's more fun to watch the dogs work, pointing and retrieving, than it is to shoot, and I usually have a gunner go along to do the shooting. I handle the dogs while they point and retrieve. It's been a great sport for me — I've always had dogs and gotten a great deal of pleasure from their company.

I never wanted to go out and rent a horse just to take a ride. I need a purpose, so I often went hunting on horses, mostly up Pistol Creek on the north fork of the Salmon River in Idaho. Although I don't go there anymore, I still own a little piece of that place at Pistol Creek.

I used to hunt near Battle Mountain with a cowboy named Leroy Horne, who was a good horseman and hunting guide. Early in the 1950s Leroy came to me with a proposition: "Warren," he said, "I've got an option to buy a thousand acre ranch, but the option is due this fall and I can't raise enough money for it. How would you like to come in for half of it?"

We made a tentative agreement, and I went back to Reno and discussed the purchase with my accountant. He suggested that I just buy the whole piece of property, giving Leroy the option to buy it back whenever he had the finances. So I bought the ranch, and Leroy took care of it for me for six or seven years before I sold it to him for the price I had paid. It was a great place to hunt, a fantastic vacation spot for me. Two or three days at a time I'd go up there and hunt chukars or deer.

The ranch was about twenty miles from Battle Mountain, right next to BLM property where a lot of wild horses roamed. Occasionally we'd go out and chase them, taking walkie-talkies so we could plot how to round up the little bands while we scouted them. I had a fine buckskin quarter horse named Tart who could run like hell and keep up with the mustangs; and I would get in behind the horses and kick up my mare, galloping wide open right into their midst. Suddenly there would be horses charging along either side; when I looked at the ground and realized how fast I was going, it would just scare the hell out of me! [laughter] It was real exciting, one of the most fun things I've ever done. After a mile or so we'd run straight into Leroy, who'd ride into the band and rope one of them. Leroy was one hell of a cowboy!

In the last ten years I've had two bone-breaking, life-threatening spills while riding horses. When I was seventy-two, a big horse I owned named Anahoe Warrior was being trained, and I went down to see how he was doing. When I got in the saddle, he began acting a little spooky, so I walked him around next to the fence. He wasn't happy — his ears were beginning to lay back on his head. I pushed

him a little, trotting him in a circle, and when I started to gallop him into a figure eight, his head went straight down between his legs and he came rearing up. I grabbed the horn and hung on, but on his third buck I went straight over the top. I was knocked out for a minute or so, and when I got up I had the trainer drive me home.

When I got home, I walked into the bedroom, took off my clothes, and told my wife, "I'm hurt real bad. Call an ambulance." I was really smashed up, with thirteen broken ribs — three on one side, ten on the other. I was in critical condition for several days, and I spent nineteen days in the hospital. But it didn't cure me of horses.

Several years ago I bought a Tennessee Walker to use at field trials with my hunting dogs. She's a nice, gentle little mare, about five years old. I rode her about a dozen times, and it made me feel as good as I've felt in years. At six o'clock in the morning, nice and cool, I'd ride that horse along, following the dogs, thinking, "Well, Jesus, this is great. Why didn't I do this before?"

One day in March, 1992, I was out at Red Rock to go riding with several other guys. When you're eighty years old, it ain't always easy to get up on a horse. [laughter] So my friend, Steve Grundmeyer, usually saddled my mare and gave me a boost up. On that day I saw that Steve was busy, so I decided to get on by myself. When I put my foot in the stirrup, the saddle started to slip; I tried to pull myself up, but ended up going clear over the top, landing on my head and shoulders in the dirt.

As soon as I hit, I knew that I was hurt really bad. Dr. Admirand was there, and someone called on a mobile phone for the care flight. The helicopter was there in about fifteen minutes and took me to the hospital, where I remained for about three weeks with eight or nine broken ribs and a broken collar bone. Ever since, I've had a little problem with my family about riding. [laughter]

About eighteen years ago I bought the land where my home stands, and started keeping two or three good quarter horses from an old cowboy named Harry Drackert. The project grew until we had stall rentals, sixteen longhorn cattle, and about six horses, including race horses. The whole ranch area, known as the Silver Circle Ranch, is just below my house, and we keep improving it all the time. A young, hard-working man takes care of the premises while my wife, daughter, and son-in-law oversee the financial end.

I feel very connected to it all when I see the horses grazing in the field, and the longhorns in the grass with their calves being born. It's everything that I wanted when I was young.

28

Looking Back

I LOVE THE GAMBLING business, but in a very basic sense I do not approve of gambling . . . or at least I don't endorse the motives that fuel it. The business exploits two fundamental human traits: greed, and the hope of getting something for nothing. I gambled when I was young, but as soon as I learned how to deal a game well, I would quit playing it. Once I learned how the game worked and what the odds were, I simply lost interest. Of course, I'll still make a bet once in a while on keno, and I like to bet on football, but I've never really been a player.

When I first started out in Reno in 1936, gamblers were not respected. You could walk down the street and the only person who would say hello to you would be another gambler or a shopkeeper who wanted your business. Bankers wouldn't talk to you, and neither would the doctors. But casino gaming slowly evolved into an important and respectable industry, and now wherever I go — even Washington, Chicago, and New York — I'm always well received and apparently well respected.

When the Gaming Hall of Fame was established in 1989, I was inducted along with Parry Thomas, Grant Sawyer, and Bill Harrah. I've always felt that there should be a Hall of Infamy as well. If one had existed, I would have been on the cusp; so would Benny Binion, who bats from both sides of the plate. [laughter] Eventually Moe Dalitz should go into the Hall of Fame — although you can hardly consider him one of the good guys, he did a lot for the industry. Most of the people who started out early in the gaming business have something questionable in their past; however, the industry has certainly changed for the better.

I've been lucky in life and in my career, but luck isn't everything. You have to work hard and like what you're doing. You also have to make an effort to learn, and through the years the old-timers taught me a lot. The main event in life is how you treat other people, and a person shouldn't *have* to take lessons in this — treating people right should come naturally. It also pays dividends: even the worst people remember the greatest kindnesses. This is why my approach to the gambling business is centered on the notion of generosity. I believe in maintaining loose percentages whenever possible, providing plenty of free drinks and cheap food for the customers, and rewarding employees for a job well done.

Gambling has been rooted in most societies since earliest times, and people will gamble whether it is legal or not. In Nevada, we like to present gambling as a form of entertainment that provides the possibility of winning some money. Here you can enjoy bargain food, bargain room rates, and more gaming time for your money. The customer is entertained; the employees make a good living; and the state and the government benefit from the generation of income. Done correctly, casino gaming is one of the most exciting and entertaining businesses in the world.

Glossary of Gambling Terms

WHEN USING OUR glossary the reader should keep in mind that these terms have evolved informally from within the gambling sub-culture. Their meanings are often imprecise; they may have meanings not listed here; and their use may be idiosyncratic or specific to certain times and places in the history of gaming in America. In other words, this glossary is the best that we can do, but we offer no guarantees that it has application beyond the context of this book.

backline, n. The "Don't pass" line on a craps layout. Also used as an expression for a place bet, or the area on the craps layout where the place bets are positioned by the dealer. (Place bets are those made on a particular number without waiting for that number to be established as a point by the shooter.)*

bug, n. A mechanical device placed on a slot machine reel to prevent a jackpot from coming up, or to otherwise influence the outcome of pulls.

carousel, slot, n. The first slot carousels were slot machines grouped in a circle around an elevated station manned by a person who made change for the players. The change-maker would also ballyhoo the game, using a microphone to broadcast winnings and to talk to the players, giving the carousel an aura of excitement. This concept gradually evolved into carousels of slots

* Many of the terms in this glossary were defined for us by Warren Nelson. For others, those marked with an asterisk, we relied on an excellent reference work by Thomas L. Clark, *The Dictionary of Gambling and Gaming*. (Cold Spring, New York: Lexik House, 1987.)

arranged in various shapes, with and without change makers. The idea of using the change-makers as quasi-barkers was dropped.

case, *n.* Short for case card.

case card, *n.* The last undealt card of any denomination — for example, the last king in the deck. Also, the last card to show up on the deal in faro.

check, *n.* A chip; a counter used at table games to represent money. The term is used exclusively by professional gamblers and those working in the gaming industry.*

chuck-a-luck, *n.* A dice game in which three dice contained in a wire cage are rolled, and in which players may make various wagers on the results.*

cooler, *n.* A deck in which the cards have been prearranged to achieve a desired result.

counter, *n.* A player who tracks the cards being played, seeking to gain an advantage through knowing what cards remain in the deck.

crimp, *v.* To mark a card by putting a slight bend or wave in it, usually in one corner.

daub, *v.* To mark a card with a slight trace of color. This was usually done with a soft crayon.

deal seconds, *v.* It is possible, through a variety of methods, for an unscrupulous dealer to know the value (or approximate value) of the card at the top of a deck in play. He can then employ sleight of hand to deal the second card to the player, reserving the top card for himself.

drop, *n.* The amount of money (coins) taken out of a slot machine by the house after a given period, such as a shift or a day. Similarly, on table games the drop is the amount of cash in the drop box after a designated playing period.

drop box, *n.* The container attached to the underside of a playing table, into which money is deposited by the dealer through a slot in the table.

electrical-mechanical slot machine, *n.* Archaic slot machines that were mechanically spun, but were stopped by electrical contacts.

front man, *n.* In a casino, an owner, operator, or designated host who greets customers. A good front man is sociable and gets along well with people, and can be a factor in attracting return business.

gaff, *v.* To alter or rig any gambling paraphernalia with intent to cheat the customer.

grind, **1. v.** To play conservatively, hoping to make a profit slowly but steadily. **2. n.** A small-stakes gambler.*

grind joint, *n.* A gaming establishment that caters to small stakes gamblers, aiming to make a profit from a large number of customers losing small sums of money over lengthy periods of play.

huckledy-buck, *adv.* or *adj.* Rapid and exciting, as in "Things were going huckledy-buck," or "It was a real huckledy-buck place."

in, or into, *prep.* To be losing a certain sum in a game, as in "Bernie was already into it for \$30,000."

layout, *n.* The design on the green felt surface of a gaming table, showing different wagers available and providing spaces to place bets so the dealer and the players can keep track of them. To "bet the layout" would be to cover all possible combinations, perhaps varying the size of the bets according to the odds.

line, *n.* In race and sports books, the odds or points assigned to a horse or team. The line is established with the intent of attracting approximately equal sums of money to each team or competitor in the wagered event.

loose slot, *n.* A slot machine set to pay off at a higher rate than normal. If slot machines are usually set to pay out about 85 percent of the coins played into them, a "loose slot" may pay 95 percent or more.*

mechanic, *n.* A sleight-of-hand artist. A card dealer employed by a dishonest casino to cheat its customers.

P.C., *n.* (See entry for "percentage.")

parlay card, *n.* A printed form listing a number of games in a given sport (such as football), offering proposition wagers on several contests from which the player must select three or more. Money won on each contest is placed automatically on the next one selected. A player must pick the winner of each to win the parlay.*

past post, *v.* In the keno game, to mark and get a ticket in after the numbers have been called, assuring that the ticket is a winner. In general, any form of cheating directed toward getting a bet down after the outcome of a game (or event) is known.

peek, *n.* A concealed area from which one can observe play without being seen.

percentage, *n.* Often abbreviated as "the P. C." That part of the money gambled on any game (or on all games) that the house keeps (or can reasonably expect to keep) as profit. The house advantage.

nut, *n.* A casino's daily operating expenses.

rake, *n.* Short for rake-off, a percentage of each poker pot taken by the house.*

sawdust joint, *n.* A small, unpretentious gambling establishment.*

six-ace flats, *n. pl.* Dice that are not exact cubes. They are shaved on opposite faces so that the six and the one come up more often than with unaltered dice.

shill, *n.* On table games, someone hired to play with house money in order to get a game going and draw in paying customers. Slot machine shills will be stationed at machines that are set to pay off frequently, thus generating excitement, raising expectations, and stimulating others to play adjacent machines. Whether on table games or slot machines, the shill plays for a wage and returns all winnings to the house.

sorts, *n. pl.* The application of the design to the backs of cards was not always uniform — i.e., its precise placement on the backs of the cards might vary slightly from one deck to another. This enabled crooked dealers to make what they called sorts: they would sort certain cards out of a number of fresh, unplayed decks, and create a new deck — a sort. If this aggregate deck were put into a game, the very subtle differences in the backs would indicate to the dealer whether a card was high or low. Not only could a dealer get some idea of the value of the players' down cards, he could also use this system to deal seconds to himself, because he could tell when an ace, for instance, had floated to the top, save it for himself, and deal seconds.

sports book, *n.* A gambling operation that takes wagers on sporting events. Sports books that receive bets only on horse races are called race books.

stopper, *n.* A dealer put in by the house to stop a customer's run of luck. In twenty-one a stopper generally deals seconds or turns the deck; in craps, he switches the dice, bringing in loaded dice.

straight up bét, *n.* A bet that pays even money. In other words, if won, the wager pays precisely the amount bet.

sub (short for "submarine"), *n.* A secret pocket that fit under the pants, in front, behind the belt. A crooked dealer would slip money or chips into his sub when nobody was looking. He could palm money while he was cleaning the layout, and then make a coverup move, such as pulling up his pants, and slip the money into his sub.

Summit kit, *n.* A kit that is used to upgrade an electrical-mechanical slot machine to one which contains a microprocessor. The former machine's wiring is pulled, and new wiring and a microprocessor are installed, resulting in a machine that can be more precisely calibrated and is more secure against cheating.

take off, *v.* To steal or cheat, as in, "If you let them, the bad guys would really take you off."

take out, *v.* To steal, as in, "We should be able to take them out for \$10,000 the first night."

tops, *n.* Crooked dice; generally dice on which the number of pips on each face has been altered.*

turn a deck, *v.* A dishonest dealer may pick up exposed cards on the layout in a predetermined pattern, put them under the deck with their backs down, and then at the right moment surreptitiously turn the deck and deal those cards.

wire service, *n.* Initially any telegraph service that fed the results of horse races to sports books, both legal and illegal, as the finishing positions were made official at the tracks. Some of these services were national in their scope. The "wire" now refers to one of several forms of communication, and the service may cover a broad range of sporting events.

wiseguy, *n.* A knowledgeable bettor who will take advantage of a mistake or any weakened position in a casino, such as a malfunctioning slot machine, a bad dealer, or an unwise sports line.

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Errata

The following are corrections to *Always Bet on the Butcher: Warren Nelson and Casino Gaming, 1930s-1980s*:

- 1.) P. xvi, line 16: “Sarah Nelson” should read “Sara Nelson.”
- 2.) P. 214, column 2: “Nelson, Sarah” should read “Nelson, Sara.”
- 3.) P. 219, lines 3 and 6: “Sarah Nelson” should read “Sara Nelson.”

*A*LWAYS BET ON THE BUTCHER

Text and art mechanicals designed by Helen M. Blue.
Camera-ready master composed and printed
at the University of Nevada Oral History Program
in ITC Garamond 1, using WordPerfect for Windows 6.0A
and a Hewlett Packard LaserJet IIISi postscript printer.